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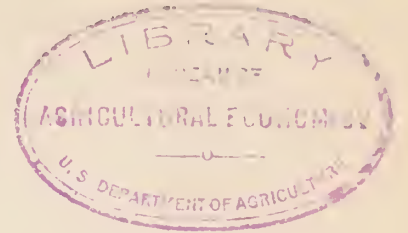
UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

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February 9, 1927.

FOREIGN NEWS ON TOBACCO



THE 1926 SUMATRA TOBACCO CROP

Indications are that the 1926 crop of Sumatra tobacco (wrapper leaf) is of a very inferior quality compared with the crops of previous recent years, according to a report received in the Department of Agriculture from Consul Sydney B. Redecker at Medan. The quantity of the crop, however, is expected to be quite large, present estimates ranging from 220,000 to 240,000 bales of 176 pounds each, as compared with 218,000 bales in 1925. Of particular interest to the American trade is the fact that the proportion of the so-called "American-leaf" is 50 per cent below the quantity produced in 1925.

A prolonged drought in the Sumatra tobacco growing region during the most critical period in the development of the plants from March to the end of May, 1926, is given as the cause of the poor quality of the 1926 crop. Sumatra growers usually put out their tobacco plants from December to March, depending upon the exact location, elevation, etc., of the particular estate. This planting period is just before the rainy season, which comes in April and lasts until the end of May. The 1926 rains did not begin until late in May when it was too late for most of the estates, especially those situated in the hills, where tobacco is planted several weeks earlier than on the plains. Consequently, while the average quality of the entire crop is said to be poor, the leaf grown on estates planted late in the season and near the end of the drought period was less seriously affected than that grown on the estates planted early in the season.

It is of vital importance that there be an abundance of rainfall immediately after the planting season in order that the plants develop properly and that the leaves become of the proper quality, states Consul Redecker. Owing to the scarcity of rainfall during that period this season, an unusually high percentage of the crop consists of thick, heavy leaves, and of leaves of short lengths. Moreover, a large proportion of the leaves has been mottled in color. It is certain that the 1926 crop yielded a very much smaller percentage of the finer bottom leaves which, in normal years, are the only qualities purchased by American cigar manufacturers. Late in December 1926 it was estimated that the crop of these finer American grades was 50 per cent lower than that produced the year before.

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Practically the entire output of Sumatra tobacco is produced by five large Dutch companies, states Consul Redecker. These companies are members of a tobacco planters' association known as the "Deli Planters Vereeniging" and by agreement ship their entire production of tobacco exclusively to the Rotterdam and Amsterdam auctions. It is expected that the American buyers attending these auctions in 1927 will have to take considerable quantities of poorer grade leaf which, in years of normal production, would not interest them. Owing to the very small percentage of the crop consisting of the so-called "American-grades", it is likely that there will be keen competition and high prices for those qualities.

The following table gives the quantities of Sumatra wrapper tobacco sold at the auctions in Holland from 1920 to 1925, the amount realized at the sales, and the quantities purchased for the American trade. In normal years American purchases amount to upwards of 25 or 30 per cent of the value of the total crop sold. As American cigar manufacturers purchase only the very finest grades of Sumatra tobacco which command the highest prices at the auction, the value percentages of American purchases are much higher than the quantitative percentages.

TOBACCO: Sales of Sumatra leaf at Rotterdam and Amsterdam
auctions, 1920-1925

Year	:	Quantity sold	:	Proceeds realized	:	Quantities taken	
						by American buyers	
						Total	Per cent
				from sales			of total
		Bales a/		Dollars		Bales a/	Per cent
1920	:	145,507	:	222,009,000	:	19,931	13.6
1921	:	163,681	:	166,567,500	:	28,005	17.1
1922	:	194,708	:	259,875,000	:	40,544	20.8
1923	:	207,858	:	316,710,000	:	28,913	13.9
1924	:	207,618	:	337,012,200	:	30,000	14.4
1925	:	218,317	:	303,208,000	:	b/	----

a/ Bales of 176 pounds each. b/ Not given. Probably not available in office of Consulate at time of writing.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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FOREIGN NEWS ON TOBACCO

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TOBACCO MARKET OUTLOOK IN NORTHERN AND CENTRAL EUROPE

The 1927 demand outlook for American unmanufactured tobacco in the principal markets of Northern and Central Continental Europe appears more favorable, on the whole, than for 1926, according to a report received from Agricultural Commissioner G. C. Haas at Berlin, Germany. Increasing ability to buy in most of these markets, decreased domestic production and higher prices of domestic tobacco in 1926 in some countries, together with growing consumption of products utilizing American tobacco, and an upward tendency of American tobacco exports to this region at the end of 1926, are important factors in this outlook, according to Mr. Haas. It also seems probable, considering the small imports, that stocks of certain American tobaccos have declined in the past two years.

While the demand outlook for American tobacco, generally, appears more favorable, prospects for dark tobaccos from Kentucky, Tennessee and Virginia - our leading exports to this region - seem relatively better than for other types. This is chiefly due to evidence of steadily and rapidly growing consumption of smoking tobaccos in Germany, taken with the fact that Northern European tobacco crops, which compete with American dark tobaccos, are quite generally smaller this year than in 1925, and bringing higher prices. Such evidence as is available also indicates that dark tobacco stocks are comparatively small as a result of reduced importations in 1925-26.

The demand outlook for bright flue-cured and other cigarette tobaccos seems slightly more promising than for 1926, in view of the steadily rising cigarette consumption, the smaller 1926 supply in Balkan countries, especially Bulgaria, and the apparently favorable tendency of American exports of such types to Northern Europe in 1926. The distinct preference for Turkish type cigarettes prevailing in this region, however, especially in Germany, Czechoslovakia and Austria, does not admit of an unqualifiedly optimistic view of the outlook. American merchandizing efforts will have some bearing upon the amount of business that develops.

Germany

The outlook for the sale of American tobaccos in Germany during 1927, as well as for some time ahead, is relatively more favorable for dark tobaccos from Kentucky, Virginia and Tennessee, and other smoking tobaccos, than for the essentially cigarette types such as bright flue-cured. German consumption of all the chief tobacco products is now increasing, but in the case of cigars very little American tobacco is ever used, while with cigarettes, the distinct preference for Turkish type tobaccos, makes the 1927 outlook only moderately more favorable in spite of reduced tobacco production in the Balkans this year, and some upward tendency of American cigarette leaf export to Germany in 1926.

Practically all indications, however, point toward an improved German demand for dark tobacco types and other American smoking and chewing tobaccos. The chief factors upon which this favorable outlook is based are the following:

- (1) Steadily increasing consumption of smoking tobacco.
- (2) Smaller production of competing domestic tobacco.
- (3) Comparatively small purchases of American dark tobaccos in 1925-26, with resultant lowering of stocks.
- (4) Tendency to increase imports of American dark tobaccos at the end of 1926.
- (5) Growing demand for better quality smoking tobacco.
- (6) Comparatively high taxes on cigarettes.
- (7) Increased activity in factories manufacturing smoking tobacco.

From an American point of view, the most important development in German tobacco consumption during the past two years is the tendency toward increased consumption of pipe tobacco. Consumption has increased steadily from 42,352,257 pounds in 1922 to 59,303,740 pounds in 1925 (1919 consumption was about 57,319,600 pounds), and 1926 data indicate a further large increase. This tendency is contrary to the trend before the war, however, and is probably accounted for, largely, by the comparatively high taxes on cigarettes. As long as cigarette taxes continue high in relation to taxes on smoking tobacco, a heavy consumption of smoking tobacco may be expected.

The market outlook for American dark tobacco is materially improved by the decreased 1926 acreage and production of domestic tobacco in Germany, the reduction in acreage amounting to 17 per cent. Domestic grown tobacco is the chief competitor of American types used for smoking tobacco in the German market. Prices prevailing for German leaf at the end of 1926 were from 20-25 per cent higher than a year ago. Part of the difference, however, is due to the materially better quality of the crop this year.

German purchases of American dark tobacco in 1925-26 were also much reduced as compared with the preceding years, and the impression prevails that the stocks of these tobaccos are now comparatively small. This belief is borne out by the tendency toward increased German imports of American dark tobaccos at the end of 1926, imports during October-November of this year exceeding 2,865,980 pounds as compared with 749,564 pounds during the same months in 1925.

A further development favorable to the increased sale of American leaf for smoking tobacco is the increasing consumptive demand for better quality pipe tobacco. During the first two quarters of 1926, over 60 per cent of the smoking tobacco consumed in Germany consisted of tobacco valued at 65 cents per pound and above, whereas in 1924 only 45 per cent, and in 1925 only 48 per cent of the total consumption was of this class of tobacco. The American leaf used for smoking tobacco is of better quality than competitive European types.

Statistics on the employment in the German tobacco industry also indicate a comparatively healthy situation in the smoking tobacco section. Employment is higher than in the cigar and cigarette sections and has shown steady improvement throughout 1926, reaching about 92 per cent fully employed in November.

The consumption of chewing tobacco has been rising since 1922, when a sharp decline occurred, and it seems probable that the demand for American leaf for this purpose will be maintained or somewhat increased. Consumption of snuff tobacco has shown no tendency up or down since 1924.

Czechoslovakia

Czechoslovak demand for American tobacco in 1927 promises to be little if any more favorable than in the past year. The preference for Turkish type cigarettes is probably even more pronounced than in Germany, and domestic production of tobacco is steadily increasing. The domestic grown product is largely used, as in Germany, for smoking tobacco, and accordingly is competitive with American dark types. The increase of production is probably large enough to offset any increase in the consumption of smoking tobacco.

The importance of the tendency in the domestic tobacco production is shown by its relation to the Czechoslovakian imports. Domestic production represented an amount equal to 6.6 per cent of the amount imported in 1921, while in 1923 it increased to 15.5 per cent and in 1925 to 36.2 per cent.

Austria

Austrian consumption of tobacco products in which American tobacco is utilized is, on the whole, about stationary, and no significant increase in demand seems likely in 1927. The consumption of cigars in which some American dark tobacco is used is reported to be increasing slightly, but pipe tobacco consumption is about satisfactory, or possibly slightly declining. The preference for Turkish type cigarettes is general and American cigarette types are little used.

Baltic Countries

Few actual data on countries of this region are available, but considering the tendency of American exports of tobacco to these countries in 1926, the production situation in areas supplying these countries, and the fact that American cigarette types are in a somewhat stronger position than in Germany and Central Europe, the outlook for American new leaf does not appear unfavorable.

GERMAN CONSUMPTION OF CIGARS, CIGARETTES AND PIPE TOBACCO, 1924-26
(based on taxation statistics)

Period	Cigars	Cigarettes	Pipe tobacco
	Thousands	Thousands	Pounds
1924 - 2d quarter	1,212,110	5,112,271	10,676,067
- 3d "	1,228,084	6,366,696	12,501,076
- 4th "	1,603,790	6,660,012	12,651,090
1925 - 1st "	1,348,148	6,939,892	12,635,497
- 2d "	1,469,247	8,295,395	11,501,580
- 3d "	1,578,870	12,592,864	13,752,297
- 4th "	1,598,582	3,584,132	15,937,457
1926 - 1st "	1,099,749	6,056,294	18,119,391
- 2d "	1,319,392	7,374,056	20,341,253
- 3d "	1,491,453	7,695,781	21,796,569

Source: "Deutscher Reichsanzeiger 1926".

GERMAN CONSUMPTION OF SMOKING TOBACCO BY PRICE CLASSES
(expressed as per cent of total consumption)

		Prices in cents per pound											
Tax Year	:	Up	:10.8	:21.6	:27.0	:32.4	:37.8	:43.2	:48.6	:54.0	:59.4	:64.8	:More
Apr. 1-Mar.31	:	to	:to	:to	:to	:to	:to	:to	:to	:to	:to	:to	:than
	:	10.8	:21.6	:27.0	:32.4	:37.8	:43.2	:48.6	:54.0	:59.4	:64.8	:75.6	:75.6
	:	Per	:Per	:Per	:Per	:Per	:Per	:Per	:Per	:Per	:Per	:Per	:Per
	:	cent	:cent	:cent	:cent	:cent	:cent	:cent	:cent	:cent	:cent	:cent	:cent
	:	:	:	:	:	:	:	:	:	:	:	:	:
Average 1924	:	4.0	:7.3	:3.7	:9.5	:2.9	:14.3	:1.4	:11.2	:0.5	:13.7	:12.7	:18.9
" 1925	:	4.5	:8.0	:3.1	:8.2	:1.4	:16.5	:0.6	:8.8	:0.2	:18.8	:8.9	:20.7
1st Qtr. 1926	:	3.0	:5.3	:2.5	:5.9	:0.7	:13.1	:0.5	:7.2	:0.1	:31.8	:6.6	:23.3
2d " 1926	:	5.0	:5.3	:2.6	:6.1	:0.7	:13.2	:0.5	:6.8	:0.1	:31.6	:6.0	:22.1
	:	:	:	:	:	:	:	:	:	:	:	:	:

Source: "Die Tabakwelt 1926."

EMPLOYMENT IN THE GERMAN TOBACCO INDUSTRY, 1926
(per cent fully employed a/)

Period <u>b/</u>	Smoking tobacco	Cigars	Cigarettes	Whole industry
	Per cent	Per cent	Per cent	Per cent
1926				
1st quarter	73.6	19.9	36.6	24.8
2d "	81.0	33.7	53.5	40.4
3d "	81.5	63.2	51.4	66.2
October	87.0	76.8	52.9	76.7
November	91.3	79.0	61.2	-

Source: "Die Tabakwelt, 1926". a/ Data for smoking tobacco, cigar, and cigarette industries are for Free Workers Unions; for the whole industry, for both Free Workers Unions and the so-called "Christian Unions".

b/ Average for the period.

GERMAN CONSUMPTION OF TOBACCO PRODUCTS

Year	Cigars	Cigarettes	Cigarette tobacco	Smoking tobacco	Chewing tobacco	Snuff tobacco
	<u>Thousands</u>	<u>Thousands</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pieces</u>	<u>Pounds</u>
1913.....	a/8,000,000	12,989,863	826,723	a/57,319,600	a/5,600,000	a/10,802,540
1923.....	3,533,600	21,341,100	17,870,267	51,574,853	180,500	4,367,313
1924.....	5,489,400	25,379,600	17,446,984	52,537,823	247,400	5,172,433
1925 b/...	5,746,468	30,528,685	12,561,099	50,310,731	255,875	5,080,166
Half year:	:	:	:	:	:	:
1926 b/...	2,810,845	15,069,837	532,466	42,137,823	139,871	2,570,350
:	:	:	:	:	:	:

Source: Vierteljahrshefte duer Statistik des Deutschen Reichs.

a/ Estimate in "Entwurf eines Tabaksteuergesetzes", Nationalversammlungsdruksachen, No. 379, page 46. Chewing tobacco in kgs., 1913.

b/ Figures for 1925 and 1926 according to "Deutscher Reichsanzeiger".

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

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FOREIGN NEWS ON TOBACCO

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DEVELOPMENTS IN FOREIGN MARKETS FOR AMERICAN LEAF TOBACCO

Changes are taking place in foreign markets for American tobacco and in foreign competitive production which should be carefully considered by American growers in planning future crops. In the foreign demand situation the outstanding development seems still to be the tendency for cigarette consumption to outrun consumption of pipe, chewing, cigar and snuff tobaccos, although pipe smoking appears to be gaining somewhat in Central and Northern European countries. Present evidence indicates continued expansion of the world market for lighter tobaccos suitable for cigarette manufacture while the market for dark fired and dark air cured types remains unpromising.

Changes of principal importance in foreign tobacco growing are the following: A rapidly increasing production of cigar tobacco in Porto Rico; a maintained high rate of production in Italy; some reduction of production in the Balkan countries and certain countries of Central Europe, and a gradual increase under a preferential tariff policy in British Empire countries. The effect of these various changes in the volume of production in different foreign countries is on the whole to increase the competition which American producers have to meet. Competition is increasing particularly in the dark types and more in the inferior than in the best grades. American growers in order to compete most effectively, should strive to improve the quality of the leaf grown.

The importance of foreign markets and of foreign competition in those markets to American growers is realized when it is considered that more than one-third of our tobacco crop is exported each year. During the calendar year 1926 the United States exported 478,768,733 pounds of unmanufactured tobacco, an amount equivalent to 36.1 per cent of the total United States crop. Owing to the wide variety of types produced in this country our market is world wide but the bulk of our export trade is with western Europe and the Orient, Great Britain and China leading in importance.

The strength of the markets of individual countries for American tobacco is affected from year to year by many factors, the more important ones being: Consumer preferences, competition of domestic and foreign tobaccos both as to price and quality, import tariffs, taxes, foreign exchange rates, general economic conditions and preferential policies of the governments. The tendency on the whole seems to be for foreign governments to increase rather than to diminish the handicaps of import tariffs, taxes and other restrictive measures. Also production in foreign countries is gradually increasing the competition which American growers must meet. On the other

hand favorable features of the outlook are increasing consumption of tobacco products, improving level of purchasing power in many countries and gradually stabilizing currency conditions making international trade easier. More particular reference to the effect of these tendencies will be made in the following paragraphs in connection with individual types exported.

Flue cured cigarette tobacco, from the standpoint of the foreign demand outlook as well as domestic consumption and supply, is in the most favorable position of all American types. Exports in 1926 were 287,334,440 pounds, an increase of 3.2 per cent over 1925. Total disappearance including exports for the calendar year 1926 was greater than in any previous year. Present indications point to a continuation of the upward trend in consumption of cigarettes both in this country and abroad. Great Britain and China, the largest foreign consumers of this leaf, both increased their takings in 1926. The trade with China was carried on in spite of the serious revolutionary disturbances which have not as yet appeared to affect the importations of tobacco, but these conditions are nevertheless a factor of uncertainty that may prove of increasing concern. Improving economic conditions in Great Britain should help to maintain or increase the rate of consumption in 1927. Cigarette taxes in Germany which are proportionately higher than for other forms of tobacco are reported to be restricting consumption materially in that country. Foreign production of types competing with our flue cured tobacco seems to be less serious than the dark fired and air cured types.

Exports of Burley leaf which for the past four years have been from six to seven million pounds annually only held their own in 1926. Exports to Belgium and Germany showed a considerable increase in 1926 over the preceding year but Great Britain took less than one-third of the previous year's volume. The foreign market for Burley is relatively unimportant, more than 95 per cent of the crop being consumed in this country.

Dark fired Kentucky and Tennessee and Dark Virginia tobaccos are in a relatively unsatisfactory position as regards marketing abroad. Foreign markets in the past have taken a very large proportion of these types and growers have depended to a large degree on foreign outlets. In 1923 151 million pounds of dark fired Kentucky and Tennessee leaf were exported while in 1926 only 120 million pounds were sent abroad. In Dark Virginia the restriction of foreign markets has been even more serious, exports falling from 48 million pounds in 1923 to 18 million in 1926. United States production of dark fired tobaccos has decreased somewhat, particularly in the Paducah district of Kentucky, but in spite of this stocks in the hands of dealers and manufacturers are increasing steadily and on October 1 they were the highest October 1 stocks on record except in 1918 when war conditions prevailed.

Two factors in the foreign situation stand out as largely responsible for the rapid reduction in exports of dark fired leaf. First, the decided shift in consumer preference to cigarettes from other forms of tobacco which has taken place in foreign countries. Dark fired types are perhaps at a

greater disadvantage than any other types because of this change in demand. Second, the foreign production of tobaccos which can be substituted for American dark types has increased in recent years. Italy, which produces the Kentucky type, has shown the most remarkable increase in acreage and production, production in 1926 being 93 million pounds as compared to 23 million, the average of the years 1909-13. Our exports to Italy have fallen off in proportion to this increased home production, as may be noted by referring to the table at the end of this report. Production in British Empire countries also is showing a gradual upward tendency and is now receiving the support of a tariff preference of approximately fifty cents per pound.

Maryland and Ohio export types seem to have reached a fairly stable market position abroad, exports for the past three years running at about 14 million pounds. France is the principal market for this type and has taken about 6 million pounds annually since 1923. The Netherlands, which is the second most important market for Maryland tobacco, took 4.5 million pounds in 1926, a substantial increase over 1925 and 1924 but a million pounds less than in 1923. The Netherlands demand for Maryland is expected in 1927 to be about equal to the demand last year, according to a report from Consul C. O. Swamer at Amsterdam. The Consul points out, however, that Dutch buyers regard the prevailing prices for Maryland tobacco as too high and that if prices continue high they will tend to turn to Java tobaccos, particularly the Besoeki first crop and the tobaccos from Rembang-Kediri. The Java 1926 crop is of somewhat better quality than in 1925 and is for that reason more likely to be given preference over Maryland leaf, in the Consul's opinion.

Exports of Green River tobacco of 14 million pounds in 1926 were practically the same as for 1923 but four million pounds less than in 1925. The most important changes in the exports of this type since 1923 have been the decided falling off in shipments to Great Britain and Italy and a growth of some importance in the trade with British and French Africa and China. Italy, which took 1.6 million pounds in 1923, has been practically out of the market since that year. (For additional information on the tobacco situation see Foreign Service Report F.S. T-19, "Tobacco Market Outlook in Northern and Central Europe", and the "Outlook for 1927", issued by the Bureau of Agricultural Economics, January 28, 1927. Either of these reports can be secured by writing to the Bureau of Agricultural Economics, Washington D. C.)

Tobacco, unmanufactured:-United States exports by classes,
1923-1926

Countries to which exported	Year ending December 31			
	1923	1924	1925	1926
	Pounds	Pounds	Pounds	Pounds
BRIGHT FLUE-CURED:				
United Kingdom	93,267,649	121,040,294	131,033,544	120,564,372
Irish Free State.... <u>1/</u>	<u>1/</u>	<u>1/</u>	481,368	850,844
China	25,994,641	58,509,242	78,824,336	82,669,300
Hongkong	420,405	611,146	2,239,137	370,425
Australia	14,349,525	17,092,849	19,637,895	20,842,681
Canada	6,670,939	11,166,793	9,444,813	13,517,316
Japan	4,385,346	11,208,064	7,741,105	7,187,860
Germany	16,752,366	16,742,847	5,987,626	12,384,588
British India	3,396,022	6,043,723	4,596,995	4,444,622
Netherlands	4,658,695	10,968,151	4,086,112	6,558,225
Denmark <u>2/</u>	1,832,406	2,182,355	3,255,893	2,080,714
Java and Madura	64,939	359,222	3,016,337	4,666,389
Poland and Dunzig...	918,219	1,406,996	2,508,099	445,674
Belgium	2,310,283	3,108,611	2,009,105	1,065,087
Norway	1,171,902	967,853	824,823	958,660
Other countries.....	3,788,413	4,106,621	2,592,185	8,727,683
Total	179,981,750	265,514,767	278,279,373	287,334,440
BURLEY:				
Belgium	2,392,957	1,044,919	2,294,967	3,449,825
France	1,563,306	1,095,679		413,074
United Kingdom	585,467	1,844,347	1,398,869	305,942
Irish Free State : <u>1/</u>	<u>1/</u>	<u>1/</u>		2,115
Portugal	497,745	1,395,935	1,248,037	1,094,408
Netherlands	184,195	795,279	199,801	135,533
Germany	262,797	443,071	33,135	197,476
Other countries	514,478	778,758	842,036	1,130,861
Total	6,000,945	7,397,988	6,016,895	6,729,234
DARK FIRED KENTUCKY				
AND TENNESSEE:				
United Kingdom	19,989,506	17,925,090	22,023,429	15,733,589
Irish Free State .. <u>1/</u>	<u>1/</u>	<u>1/</u>	626,420	2,104,596
Spain	14,166,067	31,103,800	15,025,364	1,478,747
France	20,321,709	33,527,377	12,253,039	32,823,200
Germany	8,032,538	17,805,454	11,471,317	10,453,369
Italy	31,037,715	15,508,236	10,211,502	4,065,727
Netherlands	10,433,663	13,852,287	9,070,885	13,610,766
British West Africa:	4,667,867	5,110,853	7,058,946	4,398,500
Poland and Danzig...	1,218,383	990,548	7,014,515	
Belgium	20,591,252	12,858,248	6,638,980	14,410,718
Denmark <u>2/</u>	1,160,471	1,097,617	2,112,559	1,562,244

Continued -

Tobacco, unmanufactured:- United States exports by classes, 1926
1926, Continued-

Countries to which exported	Year ending December 31			
	1923	1924	1925	1926
	Pounds	Pounds	Pounds	Pounds
DARK FIRED KENTUCKY AND TENNESSEE, Contd:				
Argentina	2,614,977	2,005,540	1,885,750	1,908,892
Switzerland	2,063,208	1,357,333	1,259,185	2,305,071
Haiti	1,049,407	1,036,930	1,234,659	1,092,368
Algeria and Tunis...	3,201,078	2,535,183	1,059,470	1,599,589
Norway	1,061,030	1,589,427	1,057,771	730,595
Portugal	1,118,775	2,911,754	924,045	1,785,686
Sweden	3,897,382	1,385,479	532,149	3,609,791
Other countries....	4,255,093	7,626,932	5,513,803	6,173,859
Total	150,880,171	170,228,088	116,973,788	119,847,307
DARK VIRGINIA:				
United Kingdom	24,503,639	6,527,418	4,889,058	3,626,160
Irish Free State....	1/	1/	34,080	
Germany	3,785,794	3,585,422	3,621,420	3,571,332
Netherlands	2,850,915	2,725,677	2,971,206	2,340,974
Australia	3,940,425	3,143,703	2,912,001	2,479,931
China	2,662,497	3,947,150	398,999	69,776
Norway	1,699,703	2,284,559	1,505,689	2,292,546
Belgium	1,394,717	655,163	100,772	527,553
Canada	1,399,275	1,323,352	363,461	19,941
Sweden	607,654	1,915,813	606,151	95,414
Denmark 2/	626,506	628,877	404,676	99,707
British West Africa:	575,790	422,774	367,913	231,951
France	562,736	313,216	232,191	514,249
Other countries ...	3,750,858	3,092,418	1,935,707	2,520,234
Total	48,360,509	31,070,542	20,343,326	18,389,768
MARYLAND AND OHIO EXPORT:				
France	6,677,072	6,195,893	6,403,517	5,609,920
Netherlands	5,828,110	3,663,253	2,946,802	4,595,265
Belgium	1,186,995	618,078	1,693,295	523,197
Germany	1,542,307	591,491	297,489	578,240
Italy	830,820	645,435	754,765	546,864
Switzerland	692,410	364,690	580,976	946,150
Other countries ...	1,304,346	751,691	1,235,908	787,061
Total	18,062,060	12,830,531	13,912,752	13,591,697

Continued -

Tobacco, unmanufactured:- United States exports by classes,
1923-1926, Continued -

Countries to which exported	Year ending December 31			
	1923	1924	1925	1926
	Pounds	Pounds	Pounds	Pounds
GREEN RIVER (PRYOR):				
United Kingdom.....	10,099,087	6,092,546	9,018,421	3,638,170
Irish Free State...:1/		1/	308,085	122,175
British West Africa:	32,370	446,075	2,798,046	3,122,402
China	35,918	2,568,325	2,235,670	2,663,470
Italy	1,589,795			4,415
Germany	483,327	672,430		191,105
Belgium	1,024,568	2,097,496	700,330	1,490,745
Netherlands	537,465	2,977,781	572,842	178,051
Algeria and Tunis..:	77,795	239,370		
Other French Africa:		298,012	1,031,637	1,172,938
Other countries ...:	177,251	693,393	1,255,600	1,492,568
Total	14,057,576	16,085,428	17,970,631	14,076,039
OTHER, INCLUDING				
CIGAR LEAF:				
China	12,229,463	6,641,049	1,089,108	301,977
United Kingdom	5,971,981	6,219,627	2,714,401	407,302
Irish Free State...:1/		1/	2,095	
Germany	5,860,125	4,323,825	123,074	382,853
Australia	5,034,460	390,385	6,717	6,599
Belgium	4,889,456	4,059,133	217,619	120,056
British West Africa:	4,467,099	2,858,880	1,029,043	640,351
Netherlands	3,220,077	6,642,831	955,516	1,678,335
Canada	2,747,576	1,556,187	1,499,667	1,513,320
Spain	1,768,830	575,653		
Mexico	843,492	712,814	1,328,812	757,584
Sweden	832,709	1,739,146		233
British India	271,854	1,004,556	50	111,600
Algeria and Tunis..:	199,115	365,393	274,331	59,264
Other French Africa:	1,761,376	1,514,770	753,550	577,734
Poland and Danzig..:	798,671	53,939		
Portugal	790,478	124,699		27,170
Japan	876,479	601,484	60	42,180
France	709,310	323,431	2,649,976	10,224,548
Argentina	370,293	12,544	384,626	8,765
Other countries ...:	3,515,284	3,707,726	1,345,588	1,940,382
Total	57,157,128	43,428,072	14,974,233	18,800,253

Continued -

Tobacco, unmanufactured:- United States exports by classes,
1923-1926, Continued-

Countries to which exported	Year ending December 31			
	1923	1924	1925	1926
	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>
STEMS, TRIMMINGS AND SCRAP:				
Germany	11,676,949	9,411,303	1,775,286	3,043,738
Netherlands.....	5,140,665	12,730,263	276,208	260,421
Spain	1,121,021	2,440,871	1,491,900	
Sweden	1,094,861	519,877	1,780,618	279,231
Belgium	1,064,367	1,337,484	908,281	553,810
China	849,646	861,009	972,024	3,169,193
Rumania			595,196	
France		33,191	403,909	
Other countries ..	1,898,987	1,508,780	813,290	992,221
Total	22,846,496	28,842,778	9,016,712	8,308,664
TOTAL TOBACCO LEAF	474,500,139	546,555,416	463,470,998	478,763,738

Compiled from Foreign Commerce and Navigation of the U. S., 1923-1925 and official record of the Bureau of Foreign and Domestic Commerce, 1926.

1/ Included with United Kingdom.

2/ Denmark and Faroe Islands beginning January 1, 1926.

Italy: Production and imports of unmanufactured leaf tobacco

Production and Imports	Average: 1909-13:	1920	1922	1923	1924	1925	1926
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>
Production in Italy..	22,964	28,263	50,964	69,004	91,105	92,374	97,886
Total imports into Italy.....	47,732	74,246	1/49,333	41,304	35,712	25,609	2/10,961
Source of imports:							
United States ...	40,912	60,317	40,284	30,586	22,274	13,499	4,086
Brazil	242	1,624	731	126	4,300	1,283	498
Bulgaria	92	2,463	2,564	2,497	3,245	5,164	2,945
Greece	311	5,038	3,596	3,837	1,550	2,435	1,166
Turkey in Europe..	2,171	-	-	1,597	674	1,440	1,277
Turkey in Asia...	2,100	162	691	-	733	100	171

Source: Production statistics from official sources and International Institute of Agriculture. Imports from Statistica del Commercio Speciale.

1/ Total imports in 1921 were 63,417,000 pounds. Data for sources of imports are not available.

2/ For 9 months, January - September 1926.

TOBACCO: Acreage in specified countries, average 1909-13, annual
1924 - 1926

Country	Average 1909-13	1924	1925	1926	Per cent 1926 is of 1925
	<u>Acres</u>	<u>Acres</u>	<u>Acres</u>	<u>Acres</u>	<u>Per cent</u>
Canada	<u>a/</u> 14,964	21,317	27,825	33,356	119.9
United States	1,223,200	1,705,800	1,757,300	1,664,700	94.7
Porto Rico	19,357	40,000	33,973	50,000	147.2
Belgium	10,235	6,850	7,882	6,820	86.5
France	40,552	42,763	40,337	24,443	60.6
Italy	20,383	83,500	100,600	98,100	97.5
Switzerland	817	500	500	500	100.0
Germany	32,380	23,541	19,800	16,400	82.8
Czechoslovakia	7,932	10,244	10,250	14,100	137.4
Hungary	92,635	37,578	38,781	48,607	125.3
Bulgaria	35,632	121,897	126,000	74,100	58.6
Rumania	<u>b/</u> 53,375	77,473	90,614	75,100	82.9
Algeria	24,920	73,072	80,600	61,800	76.7
Tunis	220	700	900	900	100.0
Greater Lebanon	2,223	2,000	2,200	2,200	100.0
Japan	72,406	94,770	91,000	91,000	100.0
Total above countries..	1,651,231	2,342,005	2,423,572	2,262,126	93.1

a/ Two-year average. b/ Four-year average.

TOBACCO: Production in specified countries, average 1909-13, annual
1924 - 1926

Country	Average 1909-13	1924	1925	1926	Per cent 1926 is of 1925
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
Canada	15,066	18,711	29,266	28,824	98.5
United States	996,087	1,251,343	1,376,628	1,323,388	96.1
Cuba	73,666	<u>a/</u> 84,000	<u>a/</u> 51,000	<u>a/</u> 63,000	123.5
Dominican Republic	25,417	<u>a/</u> 29,000	<u>a/</u> 45,000	<u>a/</u> 17,500	33.9
Porto Rico	10,828	28,000	23,402	35,000	149.6
Belgium	20,767	15,031	16,925	12,187	72.0
France	53,598	78,829	69,308	25,228	36.4
Italy	22,964	91,105	92,374	97,886	106.0
Switzerland	1,266	794	838	794	94.7
Czechoslovakia	9,467	12,720	15,160	16,654	109.9
Greece	<u>b/</u> 58,987	75,469	129,245	115,743	89.6
Bulgaria	23,435	108,447	89,948	52,910	58.8
Algeria	23,097	66,140	65,153	48,500	74.4
Tunis	266	860	1,212	882	72.8
Turkey	<u>b/</u> 88,180	<u>a/</u> 170,000	<u>a/</u> 104,500	<u>a/</u> 88,000	84.2
Greater Lebanon	<u>b/</u> 360	1,587	1,786	1,786	100.0
Japan	93,717	140,566	132,278	143,422	108.4

Continued -

TOBACCO: Production in specified countries, average 1909-13, annual
1924 - 1926, Cont'd

Country	: Average : : 1909-13 :	: 1924 :	: 1925 :	: 1926 :	: Per cent : 1926 is : of 1925
	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :	: Per cent
Total, 17 countries	: 1,517,168 :	: 2,172,602 :	: 2,244,023 :	: 2,071,704 :	: 92.3
Estimated world total exclusive : of India and China <u>c</u> /.....	: 2,668,954 : :	: 3,258,270 : :	: 3,287,358 : :	: : :	: : :

Official sources and International Institute of Agriculture unless otherwise stated.

a/ Unofficial estimate. b/ One year only. c/ No reliable production statistics available for India and China.

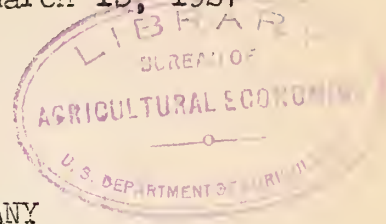
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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
T-21

March 15, 1927

FOREIGN NEWS ON TOBACCO



SCIENTIFIC TOBACCO GROWING IN BADEN, GERMANY

Efforts made over a number of years by the Karlsruhe branch of the German Tobacco Growers Association and the Baden Chamber of Agriculture to secure active cooperation of the National and State Governments in the scientific cultivation of tobacco recently culminated in the approval of the Federal Ministry of Agriculture of the creation in Baden of a tobacco research Institute to be called Das Tabakforschungsinstitut für das Deutsche Reich (German National Tobacco Research Institute), according to a report from Consul Erik W. Magnuson, in Stuttgart, Germany.

The National Government contributed 150,000 marks (\$35,730) and the Government of Baden 50,000 marks (\$11,910) for the construction of the Institute during the early part of 1927. The Baden Chamber of Agriculture has agreed to furnish gratis the building site, which includes eight acres for an experimental field. The building site is located on the chamber's experimental and instruction grounds at Forchheim near Karlsruhe. The Institute is to be controlled and conducted by a board which includes representation of the states of Prussia, Bavaria, and Baden.

The Institute is to determine through extensive experimentation, both at Forchheim and in the various tobacco growing states of Germany, what influence various methods of tilling have on the quality of the plants. Further, wide research is to be conducted in the production of high quality fertilizers best suited to various kinds of soils and plants. The development of foreign tobacco plants in the German states will constitute an important field for constructive experimentation. The Baden Chamber of Agriculture has worked on the improvement of tobacco cultivation for a number of years with perceptible success.

It cannot yet be said what will be attained in the cultivation of foreign cigarette tobacco, but it is planned by the Institute to encourage the raising of foreign tobacco in Germany by giving growers an opportunity to procure suitable slips for transplantation. The Institute will, further, by way of experimental cultivation through the country, collect exhaustive material concerning the treatment and growing of tobacco plants, such as information dealing with planting seasons, plant spacing, topping, pruning, harvesting methods, fermentation, curing, et cetera.

Plant diseases and destructive insects will be thoroughly studied, as comparatively little is said to be known on these subjects in Germany. It is expected that, with intimate cooperation with the Kaiser Wilhelm Institute in Berlin, it will be possible to acquire much additional knowledge of tobacco plants along agricultural-chemical and bio-chemical lines.

The results of the research Institute in Baden will be communicated to the tobacco growing districts in Germany where experts, with the aid of the latest scientific improvements, will be exhorted to promote energetically the tobacco cultivation in their respective districts. In this manner it is hoped to bring about a marked improvement in German grown tobacco.

According to Consul Magnuson, Germany is considerably behind other countries in scientific tobacco growing, and it will, therefore, be one of the chief aims of the Institute in Baden to establish connections with leaders of similar institutions which have long been conducted in other tobacco raising countries.

In other words, as Consul Magnuson points out, Germany, through the Tobacco Research Institute in the State of Baden, which is the chief tobacco growing district in the Reich, is manifestly preparing for intensive tobacco cultivation along scientific lines. What effect this will have on Germany's foreign trade is too early to say at this time. In any event, while it is not expected that any results will be evident in the immediate future, the plans made for improved and larger crops will in time doubtless materialize in concrete benefits to the German tobacco industry. The 1921-25 average production of tobacco in Germany was 43,862,000 pounds and in 1925, 41,902,000 pounds.

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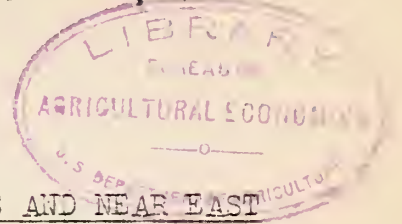
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March 24, 1927.

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FOREIGN NEWS ON TOBACCO



DECREASING TOBACCO PRODUCTION IN THE BALKANS AND NEAR EAST

Tobacco production in the chief tobacco producing countries of the Balkans and the Near East is showing a steady downward trend since the exceptionally high point reached in 1924. In that year the total crop of these countries amounted to 507,921,000 pounds, which constituted a 42 per cent increase over the average production for 1921-25. Production for 1926 showed only a slight increase over the 1921-25 average, and a decrease compared with 1925 and 1924 of 12.8 per cent and 29 per cent, respectively. The tobaccos grown in this group of countries are chiefly of the milder cigarette types which are utilized to some extent in cigarette blends in many countries, but find favor especially in Germany and Continental Europe.

The post-war period was characterized by a considerable increase of tobacco-growing in practically all the countries of this region. The average production for 1921-25 and the 1925 production were about 43 per cent above the average production for 1909-13, while the 1924 production was approximately double the 1909-1913 average. The change in the general economic and agricultural conditions during post-war period, particularly the influx of refugees into Bulgaria and Greece, necessitated intensification of agriculture and led to a substitution of tobacco for wheat and corn. In some countries, tobacco production was stimulated and encouraged by the government, as, for instance, in Rumania, according to a report from J. Rives Childs, American Consul in Bucharest, Rumania, of September 28, 1926. The result of these increased tobacco crops was a flooding of the international tobacco market for those types and the accumulation of large unsold stocks.

The total exports of Greece, Turkey, Bulgaria and Serbia increased from 242,757,000 pounds in 1924 to 279,210,000 pounds in 1925. Unsold stocks in the four countries in 1926 and 1927 are estimated to have been about 352,736,000 pounds, according to a report dated February 3, 1927 from the office of the Commercial Attache at Athens.

Just as government policy was to some extent responsible for stimulating tobacco production in the Near East, so likewise in a number of countries as, for instance, Rumania and Yugoslavia, the governments made an effort to restrict production when the stage of over-production was reached. A more liberal taxation policy, relieving tobacco industry from burdensome taxes, was also adopted in a number of countries, especially in Bulgaria.

The view of the tobacco situation in the Near East as passing through a state of crisis is corroborated, in so far as Bulgaria is concerned, by a report on Bulgarian tobacco from William E. Nash, American Trade Commissioner in Constantinople, Turkey. On the authority of a Bulgarian newspaper, "La Bulgarie", Mr. Nash states that the unsold stocks within the borders of Bulgaria amount to about 121,253,000 pounds, of which 44,092,000 represent the new 1926 crop, and the rest, unsold increments left over from preceding years. The difficulties of Bulgarian tobacco-growers are accentuated, by the fact that Bulgarian tobacco is less well known on world markets than the Turkish or Greek tobacco. At the same time the relative importance of tobacco in the total Bulgarian exports is greater than in the total exports of Turkey and Greece, and a crisis in the tobacco industry affects Bulgaria more seriously than the other tobacco-producing countries.

In order to improve the position of Bulgarian tobacco in the international markets it is planned to inaugurate a campaign of propaganda in foreign markets, particularly the United States, and to take measures for the improvement of the quality of tobacco. Some of the measures suggested are the foundation of a tobacco institute in Sofia, the establishment of laboratories and experimental farms by the government, the publication of trade papers and the dissemination of information by Bulgarian consulates in the United States. So far little has been actually done in these directions, according to Mr. Nash. The quality of this year's tobacco crop, however, is reported to be good. Its limited output is said to be due to the efforts of the government to improve the quality at the expense of quantity.

Surplus tobacco stocks available for export in Rumania are estimated to be about 8,800,000 of the total crop of 41,887,000 pounds, produced in 1926, according to Sprouli Fouche, Acting Commercial Attache in Bucharest, Rumania. The acreage was reduced from 85,672 acres in 1925 to 75,113 in 1926 - a reduction of 12%. The decrease of acreage took place only in the so-called "Old Kingdom", while both in Bessarabia and in Transylvania there has been an actual increase. Low prices announced in advance by the state tobacco monopoly are believed to be the reason for the reduced area planted by the peasant-farmers in 1926.

Consul Orsen N. Nielsen of Teheran, Persia, reports that according to government estimates tobacco production in 1926 is believed to have approximated 25,500,000 pounds. This is above the rough unofficial estimate of the annual crop of about 23,000,000 pounds. The total 1926 crop is divided into three classes as follows: Pipe tobacco, 14,000,000 pounds; cigarette 6,500,000 pounds, and water-pipe 5,000,000 pounds. The government, according to Consul Nielsen, is to make an effort to have Persian tobacco accepted as the fourth standard cigarette tobacco on the world market. It is understood that the Persian government finds support in this direction among cigarette manufacturers in Egypt.

The tobacco industry in Palestine was also faced by over-production, according to the "Near East and India", of January 20, 1927. "The main reason for the problem of over-production, with which the industry has been faced, is the fact that the country itself (Palestine) can only utilize limited supplies of the home-grown tobacco. It resolves itself into a question of the quality of the tobacco, and in the early years the crop produced was distinctly inferior to tobaccos produced elsewhere, extensive experiments have been carried out with a view to determining the most suitable varieties of tobacco for the country, and it is significant that since 1921 the tendency has been for Turkish varieties to represent a constantly increasing percentage of the output". It is further pointed out that "with the passing of 1924 the industry would appear to have survived its worst period". The Palestine tobacco production of 1,224,000 pounds in 1926, is relatively unimportant compared with other Near Eastern countries.

TOBACCO: Production in the principal tobacco growing countries in the Near East
(1,000 pounds)

Country	Average a/1909- 1913	Average 1921-25	1921	1922	1923	1924	1925	1926 Prelim- inary
Yugoslavia	31,920	38,049	26,046	20,704	38,231	78,671	26,590	b/26,455
Greece	c/58,987	88,083	51,485	56,857	127,358	75,469	129,245	122,080
Bulgaria	23,435	82,269	35,923	58,077	118,951	108,447	89,948	52,910
Rumania	d/48,174	31,121	23,121	27,750	21,556	47,290	36,089	41,887
Turkey	c/88,180	92,310		44,092	50,646	170,000	104,500	88,000
Persia		e/23,000	e/23,000	e/23,000	e/23,000	e/23,000	e/23,000	25,500
Palestine		1,653	584	1,530	1,422	3,457	1,270	1,224
Greater Lebanon	c/ 360	d/ 1,339		1,102	882	1,587	1,786	1,786
Total	251,056	357,824	160,159	233,112	381,846	507,921	412,428	359,842

Official sources and International Institute of Agriculture.

a/ Estimates for present boundaries.

b/ Unofficial estimate.

c/ One year only.

d/ Four year average.

e/ Rough unofficial estimate of annual production.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington, D. C.

F.S.
T-23

March 24, 1927

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FOREIGN NEWS ON TOBACCO

MARKET CONDITIONS FOR AMERICAN TOBACCO IN GERMANY

Surplus supplies of poor grades of American tobacco remaining over from 1922, 1923 and 1924, which have been a factor in depressing the Hamburg market for tobacco, have been practically disposed of, according to a report received in the Department of Agriculture from Consul E. Talbot Smith, Hamburg, Germany, dated February 19. This fact is looked upon as favorable for future business by members of the Hamburg tobacco trade. Further, although the bulk of German cigarette smokers prefer milder tobacco, there is an increasing demand for Virginia cigarettes, which has been recognized by several companies who are now engaged in manufacturing them in Germany. As it is rare that one who has smoked Virginia tobacco will turn to milder Oriental tobacco, the dealers in Virginia tobacco are optimistic, the Consul states, though they realize that the conversion of even a small part of the smoking population to Virginia cigarettes will be a very slow process. Cigarette manufacture and consumption in Germany is very heavily burdened by revenue taxes.

Total German imports of leaf tobacco during the calendar year 1926 were only half as large as in 1925 or only 135 million pounds compared with 264 million pounds. These figures, however, do not reflect actual demand in the two years as the imports registered in 1925 were abnormally heavy as a result of the desire of German manufacturers to accumulate stocks in anticipation of the tariff increase which became effective in the fall of 1925. Imports of American tobacco during 1926 were 13,768,000 pounds compared with 22,551,000 in 1924, thus decreasing in somewhat smaller proportion than total imports.

February imports of American tobacco at Bremen were more than double those for the same month in 1926, according to a report dated March 1 from Consul Leslie E. Reed. The increase was largely accounted for by Virginia tobacco. Considerable sales of bright Virginia leaf from old stocks were made during February to Switzerland and Czechoslovakia, the Consul reports. Business in new crop Bright Virginia was limited as supplies for sale were small. There was a considerable demand in the Bremen market for Ohio and Maryland export tobacco but the actual turnover was small for the reason that old stocks were almost exhausted and were not being replenished from this country. The demand for Kentucky tobacco was chiefly for lugs and small leaf tobacco, according to Consul Reed's report.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
T-24

March 25, 1927.

FOREIGN NEWS ON TOBACCO

PORTO RICAN TOBACCO CROP



The preliminary estimate of the Porto Rican tobacco crop for the coming season is confirmed, as previously reported, by Assistant Agricultural Director Figueroa of the Porto Rican Department of Agriculture and Labor in a report to the Bureau of Agricultural Economics dated March 8, 1927. The estimate for the first crop is placed at 50,412,000 pounds and for the second at 1,000,000 pounds, from an acreage of 77,000 acres. This indicates a considerable increase in both acreage and production over last year, when a crop of 35,000,000 pounds was harvested from an acreage of 50,000 acres. The percentage increase of production in 1927 over 1926 is 47 and of acreage 54 per cent.

Due to the adverse weather conditions, and the lack of barn accommodations, there was much damaged tobacco in that part of the crop harvested early, according to the information received from the Porto Rican Department of Agriculture and Labor. The weather, however, has changed for the better; the harvest goes on normally, and the quality of the product has greatly improved.

The cooperative marketing organizations have announced that they will destroy all the damaged tobacco in their barns. They have invited independent growers to do the same.

No important sales of the 1927 crop are reported as yet.

Tobacco production and acreage in Porto Rico for the last few years is given below:

Year	Acreage	Production
	<u>Acres</u>	<u>Pounds</u>
Average 1921-1925	35,014	23,218,000
1925	34,025	23,402,000
1926	50,000	35,000,000
1927	77,000	51,412,000

DECREASED LEAF TOBACCO EXPORTS FROM BAHIA, BRAZIL

Exports of leaf tobacco from Bahia, Brazil (the principal tobacco growing region of Brazil) were lower in 1926 than in any other year since 1922, according to a report dated February 15, from Consul Howard Donovan in Bahia.

The following table shows the volume of Bahia's leaf tobacco exports during the five-year period from 1922 to 1926, inclusive.

<u>Year</u>	<u>Pounds</u>
1922	87,549,075
1923	67,943,567
1924	56,924,977
1925	78,626,825
1926	51,366,385

The 1926 tobacco exports were 34 per cent below those of 1925 when exports were large, and about 10 per cent below those of 1924, the year of the smallest exports since 1922. The crop of 1926 was seriously affected by a prolonged drought, which was responsible for small production and poor quality, as well as decreased exports, according to a report dated January 27 from Vice-Consul Allan Dawson in Bahia. Lower exports from Bahia were also partly due to a lessened demand from the German market which had heavy stocks held over from 1925. In 1926, as in the previous year, 85 per cent of the total exports of leaf tobacco of Bahia were consigned to Germany, Argentina, and Holland, with France taking the fourth place and actually increasing its tobacco purchases from 2,932,000 pounds in 1925 to 3,916,000 pounds in 1926, an increase of 34 per cent. A large share of the exports to Holland are said to go to Germany.

The 1927 crop has been variously estimated at from 46,000,000 pounds to 77,000,000 pounds, according to Consul Donovan. The 1924-25 tobacco crop of Bahia was estimated at 60,940,000 pounds, constituting 46 per cent of the total Brazilian crop of 132,276,000 pounds. Exports for January 1927 reached the low point of 1,637,542 pounds, which is 30 per cent below the quantity exported during the same month of 1926, and about 60 per cent below the exports of the preceding month. Conflicting reports as to the size of the 1927 crop have diminished the interest of German and Dutch buyers with a consequent drop in prices from the high level attained in December, according to Consul Donovan, who attributes the decline in exports to this fact. Bahia tobacco exports in January were practically confined to Argentina, Germany and the Netherlands, as can be seen from the following table:

TOBACCO: Exports from Bahia, January, 1927

<u>Countries</u>	<u>Pounds</u>
Argentina	806,950
Germany	329,940
Netherlands	506,485
Algeria	50,155
Total	1,693,530

Total stocks on hand in Bahia were as follows, according to a trade report quoted by Consul Donovan:

TOBACCO: Stocks in Bahia

<u>Date</u>	<u>Pounds</u>
November 15, 1926	8,706,000
December 1, "	6,389,000
December 11, "	6,132,000
December 31, "	3,580,000
January 24, 1927	3,763,000
February 18, 1927	4,852,000

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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F.S.
T-25

April 8, 1927.

FOREIGN NEWS ON TOBACCO

TOBACCO TRADE IN CHINA

Foreign dealers in tobacco in the Yangtze Valley and south have evacuated that territory and some evacuation is taking place in the north, according to cabled advices from Tientsin to the Department of Agriculture by Agricultural Commissioner Paul C. Nyhus. He reports, also, the closing of certain factories in Hankow. Chinese employes are maintaining distribution of tobacco products for foreign firms as far as possible although business is made very difficult by crippled transportation facilities, military taxes and the necessary restriction of credit to dealers. The possible continued operation of Chinese factories may offset forced curtailment of manufacturing and sales activities of foreign owned enterprises, Mr. Nyhus reports.

It should be borne in mind that in the past the extension of the tobacco trade in China has been accomplished in the face of serious handicaps. The following table shows the growth of the American tobacco trade with China during the past few years. Bright flue cured tobacco, used for manufacturing cigarettes in China, and cigarettes are the principal items going into this trade.

TOBACCO: Exports from the United States to China, ^{a/}, 1924-26

Type	1924	1925	1926
	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>
<u>UNMANUFACTURED</u>			
Bright Flue Cured	59,120,388:	81,090,664:	83,319,297
Burley	-	-	50,510
Dark Fired Kentucky and Tennessee :	348,265:	1,990:	36,999
Dark Virginia	4,136,548:	497,283:	69,776
Maryland and Ohio Export	-	83,720:	-
Green River (Pryor) and sucker...	2,568,325:	2,285,670:	2,663,470
Cigar Leaf	-	-	-
Other Leaf	6,642,079:	1,089,108:	301,977
Total leaf	72,815,605:	84,962,775:	86,442,029
	<u>Number</u>	<u>Number</u>	<u>Number</u>
<u>MANUFACTURED</u>			
Cigarettes.....	8,109,245,000:	5,398,216,000:	6,896,880,000
Cigars and Cheroots	14,000:	46,000:	-
	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>
Plug	35,666:	35,011:	32,076
Smoking	40,480:	27,517:	33,335
Other manufactures	5,165:	16,720:	1,105
Stems, Trimmings and Scraps	861,009:	972,024:	3,189,482

^{a/} Includes exports to Hongkong and Kwantung.

Source: Commerce and Navigation of the United States, and official records of the Department of Commerce.

The following table shows the exports of bright flue cured tobacco and cigarettes to China by months for 1926 and the first two months of 1927. During the first two months of the present year the exports of bright flue cured tobacco to China from the United States were about 40 per cent less than in 1926, but they were over twice as large as in the corresponding months of 1925 and over 40 per cent larger than the exports in January and February 1924. The exports of cigarettes to China in January and February also showed a falling off compared with 1926. Data now available do not indicate definitely, however, the effect of the serious disturbances in recent months on the tobacco trade with China.

TOBACCO: Monthly exports of bright flue cured and cigarettes to
China a/, 1926 - 1927

Year and month	Bright Flue Cured Tobacco:	Cigarettes
	<u>Pounds</u>	<u>Thousands</u>
1926		
January	17,201,907	669,178
February	11,875,742	297,995
March	5,526,690	633,630
April	3,249,127	621,170
May	1,160,097	667,800
June	4,025,024	759,035
July	2,308,384	523,520
August	576,572	610,145
September	3,568,798	597,077
October	12,339,131	550,259
November	11,537,463	396,310
December	9,898,362	570,761
Total	83,319,297	6,896,880
1927		
January	9,894,362	585,095
February	7,187,321	352,848

a/ Includes exports to Hongkong and Kwantung.

Source: Official records of the Department of Commerce.

UNITED STATES DEPARTMENT OF AGRICULTURE
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F.S.
T-26

April 9, 1927.

FOREIGN NEWS ON TOBACCO

DEVELOPMENT OF THE TOBACCO INDUSTRY IN THE BRITISH EMPIRE

For many years the tobacco trade of the United Kingdom has been dominated by tobacco grown in the United States. The position is illustrated by the fact that during the five years 1909-13 the British market took an annual average of 116,288,000 pounds of unmanufactured tobacco from this country in comparison with only 15,128,000 pounds annually from all other sources. This preeminence has been enjoyed by American growers ever since the discovery of tobacco in the sixteenth century. There are indications, however, that British markets may have to depend less on this source of supply in future years as a result of the development of the tobacco growing industry within the British Empire.

Establishment of Empire preference

In order to stimulate Empire tobacco production, the British Parliament on September 1, 1919, lowered the duty on all tobacco imported from Empire sources. The general duty on unmanufactured tobacco in the United Kingdom since April 23, 1918 has been 8s.2½d. (\$2.00) per pound on tobacco containing 10 per cent or more of moisture and 9s.1d. (\$2.20) on tobacco containing less than 10 per cent of moisture. The Imperial Preference provision of September 1, 1919 granted Empire tobacco a reduction of one-sixth from the general rates. This preference was increased on July 1, 1925 to one-fourth so that the Empire product now pays only \$1.50 per pound on goods containing more than 10 per cent of moisture and \$1.65 per pound on goods containing less than 10 per cent of moisture.

Imports of unmanufactured tobacco from Empire sources during the five years 1914-18, which period immediately precedes the establishment of the Preference, averaged 5,064,000 pounds annually or 3.4 per cent of the total. During the five years 1919-23 imports from Empire sources averaged 13,034,000 pounds annually or 5.6 per cent of the total. Imports of Empire tobacco in 1926 reached the record figure of 29,994,000 pounds or 15.2 per cent of the total.

This development is affecting the share of the United States in British imports. In the 1914-18 period, for example, the United States supplied an average of 91 per cent of the British annual takings, while in the next five years the United States' share declined to 89 per cent, and in 1926 to 82 per cent. The tendency, however, as may be noted in the accompanying tables, has been for British Empire tobacco to displace imports from other countries to a greater extent than American. In the period 1904-08, 11 per cent of British needs were supplied from "other countries", while this proportion fell to 3 per cent in 1926. American tobacco is so well entrenched in the favor of British consumers and is

so indispensable to British manufacturers in making up their blends that substitution can take place only gradually. Furthermore, it should be noted that tobacco consumption in Great Britain has increased more rapidly than Empire production and that total annual imports of all types of American tobacco have been maintained during the past five years at a level much higher than before the war.

Future possibilities of Empire tobacco

In considering the possibilities of tobacco cultivation within the British Empire it is evident that there are certain classes of tobacco that are not likely to be supplanted in the British market. Sumatra, for example, which supplies the finest leaves for cigar wrappers, is likely to retain its important position for many years. Havana cigars and tobaccos of outstanding quality are also likely to hold their own. It is the general opinion, however, that tobacco of the Virginia type can be successfully cultivated in some parts of the Empire. In any event, a considerable extension of tobacco growing can be looked for in British North Borneo, in Nyasaland, in Rhodesia and South Africa generally, and in both West and East Africa.

India with its enormous cultivated tobacco acreage, having more than 1,000,000 acres under this crop, is easily the most important tobacco growing country in the British Empire. Imports of tobacco into India, however, greatly exceed the exports so that there seems to be no prospect of an important exportable surplus from that country for some time. So far as the United Kingdom is concerned, much of the imports from India have been used for tanning purposes, not for smoking. The most promising region in the British Empire for the production of tobacco is Nyasaland, where the industry has made substantial progress in recent years. With the development of adequate transportation facilities there is sure to be a considerable increase in the Nyasaland tobacco growing industry. Virginia tobacco is the staple product. In Rhodesia both the Turkish leaf tobacco and Virginia are being cultivated in increasing quantities. In the Union of South Africa the Transvaal is the largest tobacco grower. Much of the Transvaal crop is suitable for cigarette and light colored smoking mixtures. Tobacco is also cultivated in the Cape Province, in Natal and in the Orange Free State.

North Borneo is held to be the only part of the British Empire where cigar wrapper tobacco of the best quality can be grown. As the available tobacco area in Sumatra is being steadily reduced owing to the advance in rubber cultivation, the British trade is encouraging the development of tobacco growing in North Borneo. Canada still depends for about half of its tobacco requirements on foreign countries, the bulk of the imports being supplied by the United States. The provinces of Ontario and Quebec produce practically all of the tobacco grown in the Dominion. British manufacturers, however, have found that Canadian leaf is more similar to the American than that grown in any of the other Empire producing areas and Canadian farmers are being urged to produce tobacco for the export market.

TOBACCO: Imports into the United Kingdom, from Empire and other sources

Year	United States	British Empire	Other countries	Total	Per cent of total		
	Pounds	Pounds	Pounds	Pounds	United States	British Empire	Other countries
Average:					Cent	Cent	Cent
1904-08	92,943,695	232,375	11,461,800	104,637,870	88.82	0.23	10.95
1909-13	116,287,877	1,697,800	13,430,155	131,415,832	88.50	1.30	10.20
1914-18	135,904,185	5,064,414	7,789,780	148,758,379	91.35	3.41	5.24
1919-23	205,975,805	13,034,035	11,726,470	230,736,360	89.30	5.60	5.10
1924	156,938,302	19,297,488	6,186,955	182,422,745	86.03	10.57	3.40
1925	162,718,941	13,921,174	7,340,911	183,981,026	86.10	10.01	3.90
1926	161,659,317	29,994,292	5,856,206	197,509,815	81.84	15.20	2.96

Source: Annual Statements of the Trade of the United Kingdom.

TOBACCO: Imports into the United Kingdom from Empire and other sources

Country	Average: 1909-13	1922	1923	1924	1925	1926 ^{a/}
	pounds	pounds	pounds	pounds	pounds	pounds
<u>EMPIRE SOURCES</u>						
British India	21	3,935	4,575	8,412	7,785	12,216
Canada	2	855	956	1,787	1,859	4,892
South Africa	28	59	51	197	24	463
Rhodesia	53	360	367	726	1,031	2,323
Nyasaland	1,502	6,735	5,891	6,882	7,070	9,158
British North Borneo	7	593	894	841	1,152	b/
Other British possessions	85					
Total Empire	1,698	12,654	12,895	19,298	18,921	29,994
<u>FOREIGN SOURCES</u>						
United States	116,288	166,822	154,859	156,933	162,719	161,659
Other foreign countries	13,430	5,381	5,284	6,187	7,341	5,857
Total foreign	129,718	172,203	160,143	163,125	170,060	167,516
Grand total	131,416	184,857	173,038	182,423	188,981	197,510
<u>PERCENTAGES</u>						
Empire	1.3	6.8	8.0	10.6	10.0	15.2
American	88.5	90.2	89.0	86.0	86.1	81.8
Other foreign	10.2	3.0	3.0	3.4	3.9	3.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Annual Statements of the Trade of the United Kingdom.

^{a/} 1926 statistics compiled from Customs and Excise returns and forwarded to the Department of Agriculture by Mr. Alfred Nutting of the American Consulate General's Office, London, England. ^{b/} Included in "other British possessions".

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
T-27

May 16, 1927.

FOREIGN NEWS ON TOBACCO

DEVELOPMENTS IN GERMAN AND SWEDISH TOBACCO MARKETS

Germany

The chief developments in the German tobacco market in recent months are the continued increase in cigar consumption and a decrease in the consumption of cigarettes and pipe tobacco, according to a report from Agricultural Commissioner G. C. Haas at Berlin. The generally improved situation of the tobacco industry, compared with a year ago, as reflected in the better employment and the steady level of tobacco importation, is also worthy of note.

The largely increased consumption of cigars in the fourth quarter of 1926 was due, of course, to a considerable extent, to Christmas business, but is also thought in the trade to indicate the beginning of some tendency for cigars to replace pipe tobacco, the consumption of which has been rising up to now. It is thought to be a natural consequence of improving economic conditions in Germany and the resultant greater purchasing power that cigar consumption will increase, partly at the expense of smoking tobacco. Such a tendency, if continued, would, of course, be detrimental to the market for American tobacco, as the United States is much more important in the German trade as a source for smoking tobacco than for cigar tobacco, Brazil and the Dutch East Indies dominating the latter business.

The decreased consumption of cigarettes is probably due to the comparatively heavy taxes on cigarettes, and the trade is not optimistic about material improvement in cigarette consumption in the future, as long as present conditions exist. Cigars are very reasonable in price when compared with cigarettes.

The rate of activity in all branches of the tobacco manufacturing industry since the first of the year has been generally better than a year ago. The improvement is especially marked in the cigar industry. Employment in both cigar and smoking tobacco manufacture has also been well maintained since the first of the year following the pre-holiday activity, but employment in the cigarette industry has been fluctuating considerably and in February and March was somewhat below the January figure. There has been a large increase in short time work in the chewing tobacco industry in March and the outlook is uncertain. The threatened wage dispute with the cigar workers has been settled recently by a $7\frac{1}{2}$ per cent increase in wages.

German imports of leaf tobacco have been much larger recently than in the same months a year ago, when importation was comparatively small. Imports, moreover, are showing a remarkably steady tendency, a fact indicating, for one thing, greater stability in the industry. Imports from the United States, it should be noted, while increasing in actual amount, have constituted a relatively smaller percentage of total imports than in the two preceding years.

Sweden

The 1926 report of the Swedish tobacco monopoly, recently issued, indicates a further increase during 1926 in the monopoly sales of cigars, cigarettes and cigarillos, but a slightly downward tendency in the sales of smoking, chewing and snuff tobacco. The production in Sweden of cigars, cigarettes and cigarillos increased considerably during the year. This increasing tendency in domestic production resulted in further downward movement in the importation of cigars and cigarillos, but cigarette importation continued to rise, although to a smaller extent, according to Mr. Haas.

The importation of raw tobacco into Sweden, of which the United States ordinarily supplies from 60 to 70 per cent, amounted to 11,279,000 pounds as compared with 11,310,000 pounds in 1925. A continued tendency to import a larger quantity of oriental tobacco for use in cigarettes is indicated by the importation of 1,574,000 pounds in 1926 as compared with 1,358,000 in 1925 and 1,248,000 in 1924. Decreases occurred in imports from Cuba, Java, San Domingo, and Nyassa.

GERMAN CONSUMPTION OF CIGARS, CIGARETTES AND PIPE TOBACCO (Based on taxation statistics)

Period	:	Cigars	:	Cigarettes	:	Pipe tobacco
	:	<u>Thousands</u>	:	<u>Thousands</u>	:	<u>Pounds</u>
1924, 2d Quarter	:	1,212,110	:	5,112,271	:	10,677,000
3d "	:	1,228,084	:	6,366,696	:	12,500,000
4th "	:	1,603,790	:	6,660,012	:	12,650,000
1925, 1st "	:	1,348,148	:	6,939,892	:	12,635,000
2d "	:	1,469,247	:	8,295,395	:	11,501,000
3d "	:	1,573,870	:	12,592,864	:	13,752,000
4th "	:	1,598,582	:	3,584,132	:	15,937,000
1926, 1st "	:	1,099,749	:	6,056,294	:	18,120,000
2d "	:	1,319,392	:	7,374,056	:	20,342,000
3d "	:	1,491,453	:	7,395,781	:	21,797,000
4th "	:	1,771,404	:	7,211,863	:	21,576,000

Source: "Deutscher Reichsanzeiger".

EMPLOYMENT IN THE GERMAN TOBACCO INDUSTRY a/

Period b/	Smoking tobacco	Cigars	Cigarettes	Whole industry
1926, 1st Quarter ...	73.6	19.9	36.6	24.8
2d "	81.0	33.7	55.5	40.4
3d "	81.5	63.2	51.4	66.2
October.....	87.0	76.8	52.9	76.7
November.....	91.8	79.0	61.2	78.0
December.....	90.6	73.4	46.6	73.5
1927, January.....	37.9	74.4	63.1	75.2
February.....	37.5	74.7	53.7	
March.....	84.5	74.4	57.3	

Source: Die Tabakwelt.

a/ Per cent of fully employed. Data for smoking tobacco, cigar, and cigarette industries are for Free Workers Unions; for the whole industry for both Free Workers Unions and the so-called "Christian Unions".

b/ Average for the period.

LEAF TOBACCO: Imports into Germany, by months, 1925 to 1927

Month	1925		1926		1927	
	Total	From	Total	From	Total	From
	imports	U. S.	imports	U. S.	imports	U. S.
	: 1,000 lbs:	1,000 lbs:	1,000 lbs:	1,000 lbs:	1,000 lbs:	1,000 lbs
January.....	13,349	1,192	4,306	407	15,355	1,421
February.....	19,575	1,778	5,713	662	13,797	1,566
March.....	23,786	3,021	6,701	949	13,633	1,721
April.....	15,373	1,256	7,118	812		
May.....	18,607	1,332	8,833	1,129		
June.....	16,443	1,350	12,484	1,354		
July.....	31,616	3,320	12,988	1,227		
August.....	82,341	6,407	15,892	1,469		
September....	20,421	1,680	14,475	1,450		
October.....	7,770	355	14,265	1,450		
November.....	4,743	390	15,917	1,433		
December.....	4,548	475	16,084	1,422		
Total.....	264,572	22,556	134,776	13,773		

Source: Monatliche Nachweise über den Auswärtigen Handel Deutschlands.

MONOPOLY SALES OF TOBACCO PRODUCTS IN SWEDEN

Product	1922	1923	1924	1925	1926
	1,000	1,000	1,000	1,000	1,000
	<u>pieces</u>	<u>pieces</u>	<u>pieces</u>	<u>pieces</u>	<u>pieces</u>
Cigars.....	62,325	39,728	59,120	39,477	41,139
Cigarettes.....	1,123,168	1,058,431	1,088,657	1,084,937	1,204,363
Cigarillos.....	118,495	119,826	127,734	136,830	141,300
	<u>1,000 lbs</u>	<u>1,000 lbs</u>	<u>1,000 lbs</u>	<u>1,000 lbs</u>	<u>1,000 lbs</u>
Smoking tobacco	1,977	2,081	2,207	2,269	2,253
Chewing tobacco	544	575	522	494	465
Snuff tobacco	12,463	12,128	11,825	11,590	11,706

Source: "Tabakwelt", quoting reports of the Swedish Tobacco Monopoly Administration.

IMPORTS OF TOBACCO PRODUCTS INTO SWEDEN

Product	1922	1923	1924	1925	1926
	1,000	1,000	1,000	1,000	1,000
	<u>pieces</u>	<u>pieces</u>	<u>pieces</u>	<u>pieces</u>	<u>pieces</u>
Cigars.....	12,772	11,078	12,605	9,434	8,749
Cigarettes.....	40,145	41,076	68,048	105,760	106,154
Cigarillos.....	11,334	16,409	16,317	12,127	10,920
	<u>1,000 lbs</u>	<u>1,000 lbs</u>	<u>1,000 lbs</u>	<u>1,000 lbs</u>	<u>1,000 lbs</u>
Smoking tobacco	302	223	194	165	148

Source: "Tabakwelt", quoting reports of the Swedish Tobacco Monopoly Administration.

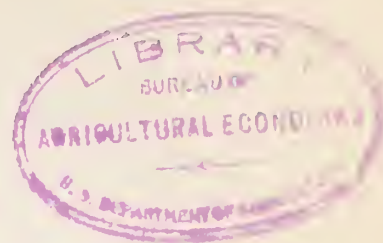
UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
T-28

May 21, 1927.

FOREIGN NEWS ON TOBACCO

INCREASED TOBACCO CROP IN PORTO RICO



The estimate of the Porto Rican tobacco crop for the coming season is placed at 46,664,000 pounds for the first crop, according to a cable from the Commissioner of Agriculture of Porto Rico, while the second crop is still estimated at 1,000,000 pounds. This new estimate for the first crop is lower than the preliminary estimate of 50,412,000 pounds but the total of the first and second crops, 51,412,000 pounds, is still 33 per cent above the figure for the 1926 crop and more than twice as large as the average 1921-1925 production.

Tobacco production and acreage in Porto Rico for the last few years are given below.

Year	Acreage	Production
	<u>Acres</u>	<u>Pounds</u>
Average 1921-1925	35,014	23,218,000
1925	34,025	23,402,000
1926	50,000	35,000,000
1927 -		
Preliminary estimate	77,000	51,412,000
Second estimate		46,664,000

UNITED STATES DEPARTMENT OF AGRICULTURE
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F.S.
T-29

May 31, 1927.

FOREIGN NEWS ON TOBACCO

TOBACCO PRODUCTION AND STOCKS IN BULGARIA

The 1926 tobacco crop of Bulgaria amounted to about 57,000,000 pounds compared with 90,000,000 pounds in 1925 and 108,000,000 pounds in 1924, according to a report from Consul Stuart Lupton at Sofia. Emphasis is placed, however, on the high quality of last year's crop. The unsold stocks of tobacco from the 1924 crop amounted on March 24, 1927 to 22,000,000 pounds and from the 1925 crop to 26,500,000 to 33,000,000 pounds. The Bulgarian exports of tobacco in 1926 amounted to 61,068,000 pounds valued between 13 and 14 million dollars. About one-third of the quantity exported went to Germany and about one-fifth to Italy, with Czechoslovakia and Holland following in importance.

TOBACCO MARKET AND PRODUCTION IN TURKEY

The buying campaign in connection with the last crop has opened under the best auspices in all producing centers, according to a trade report for March. In many districts more than two-thirds of the whole crop was sold. In the Smyrna District, which is the largest single tobacco producing center in Turkey, contributing in 1926 more than a third of the total Turkish production, only a little over 1,000,000 pounds are left in the hands of the producers out of a crop of more than 30,000,000 pounds.

The total 1926 tobacco crop of Turkey is estimated unofficially at 84,000,000 pounds, compared with 99,000,000 to 110,000,000 pounds in 1925. The small crop, combined with a shortage of stocks from the preceding year, and a considerable buying movement, has had a markedly strengthening effect on prices.

TOBACCO ACREAGE IN CRIMEA, U. S. S. R., 1927

Information from various districts of Crimea point to a decrease of tobacco acreage in this region, according to "Economic Life" of April 16, 1927. Crimea is one of the three tobacco growing regions of Russia where the high grade bright leaf tobacco of the so-called Turkish variety is grown. The other two regions are Caucasus and Turkestan. The cause of the decrease lies in an unsatisfactory price policy of the government, which was due to a mistake in forecasting the quality of the crop. As the amount represented by lower grades was larger than expected

in the 1926 crop and as the prices naturally vary with the grade of tobacco, the average prices which the producers received during the season were less than those originally expected. As a result, the incentive to grow tobacco has been seriously undermined. Unless the government comes to the assistance of tobacco growers it is believed, on the basis of present information, that the tobacco acreage in Crimea will suffer a considerable reduction, especially in districts where the best grades are grown.

The 1926 tobacco production in Crimea is estimated at about 9,000,000 pounds (250,000 poods). No figures for previous years are available. Total Russian production of bright leaf tobacco by years has been officially estimated at 28,000,000 pounds in 1923, 19,500,000 in 1924, and 43,335,000 pounds in 1925. The pre-war crop of bright leaf tobacco is unofficially estimated at between 47,000,000 and 50,000,000 pounds.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
T-30

June 18, 1927.

FOREIGN NEWS ON TOBACCO

THE TOBACCO MARKET SITUATION IN GERMANY AND THE BALKANS

The chief feature of the German tobacco market situation in recent months is the continued strength in the cigar section as indicated both by figures on cigar consumption for the first quarter of 1927 and by the increasing tendency in imports from cigar tobacco countries, according to a report received in the Department of Agriculture from Acting Agricultural Commissioner L. V. Steere at Berlin. A further decrease in consumption of cigarettes and pipe tobacco for the second consecutive quarter is also noteworthy. Although stocks of tobacco at German port markets are reported relatively small, business was comparatively quiet in May, with buyers cautious and interested only for current needs. Amsterdam, on the other hand, reported active buying during April and May with German takings through that market large, apparently in reflection of current interest in cigar types. Conditions in the German tobacco industry generally appear to be growing more stable, although the cigarette branch is still in difficulty.

German cigar consumption during the first quarter of 1927, as indicated by taxation figures for tobacco products, although showing a seasonal decrease from the figures of the previous quarter, was nevertheless materially larger than in the first quarter last year, and brought consumption of cigars for the tax year 1926 up to nearly 6 billion as compared with 5.7 billion in 1925 and 5.4 billion in 1924. The decrease in cigarette consumption during the quarter, to 6.9 billion from 7.2 billion the previous quarter, brought consumption for the tax year 1926 well under 1925, a development serving to emphasize the difficulty under which the cigarette industry is laboring with present rates of taxation. The consumption of pipe tobacco showed a comparatively large decrease (20 million pounds against 22 million the previous quarter), but was still well above figures for the same quarter a year ago. The consumption of both smoking and fine cut tobaccos in the tax year 1926, in fact, was double that in 1924. Whether the recent downward tendency in consumption of smoking tobacco, following several years of rapidly increasing demand, is to be permanent, is, of course, significant to the outlook for American tobacco, and especially so with cigar consumption increasing steadily. The situation in the cigarette industry is also of interest, but chiefly concerns the Balkan countries, which produce the oriental types of cigarette tobacco so dominant in this market.

German Consumption of the Chief Tobacco Products
(Tax years April 1 to March 31)

Product	Unit	1924-25	1925-26	1926-27
Cigars	Thousands	5,392,132	5,746,468	5,979,751
Cigarettes	"	25,078,871	30,528,685	29,156,062
Smoking and fine cut tobacco	Pounds	42,278,192	71,871,830	85,043,344

The consumption of smoking tobacco continues to incline toward higher priced tobacco, sales of tobacco selling at six marks per kilogram (65 cents per pound) and above, amounting to 63 per cent of total sales in the fourth quarter of the past tax year (April 1, 1926 to March 31, 1927) as compared with 62 per cent in the first quarter and 48 per cent, the average in 1925.

Changes in the consumption of the different price classes of cigarettes are also interesting, the tendency being pronouncedly away from the lowest classes. Cigarettes selling for less than 3 pfennigs (seven-tenths of a cent) constituted 27 per cent of total sales in 1924, but only 2.1 per cent in 1926, while those selling at 3 pfennigs decreased from 20.2 per cent of the total in 1924 to 13.5 per cent in 1926. Four pfennig (1 cent) cigarettes, however, increased from 20.1 per cent of the total in 1924 to 33.5 per cent in 1926, and 5 pfennig (1.2 cent) cigarettes from 16.6 per cent to 40.4 per cent. These changes came about partly because of a lowering of the quality of the cheaper cigarettes under the policy of taxation (which bore too heavily on lower grades), but they are also indicative of some increase in purchasing power. It is probable, however, that many smokers were unwilling to shift from cheap to more expensive cigarettes, and therein lies an important reason for the steady rise in consumption of smoking tobacco, states Mr. Steere.

The increasing tendency shown in figures on cigar consumption is well borne out by data on German imports of leaf tobacco in recent months. While imports of leaf tobacco from all sources have been increasing, following the greatly reduced importation in 1926, the takings of tobacco from the Dutch East Indies, Brazil, and the Dominican Republic, all large cigar tobacco producers, have increased much more rapidly than imports from other sources. Imports from the Dutch East Indies, from January to April, 1927, for example, amounted to approximately 22,631,000 pounds as compared with 6,500,000 pounds in the same period last year, an increase of nearly 250 per cent. Imports from the United States, for the same period, increased only 117 per cent. Total German imports of leaf tobacco during the same months increased 170 per cent.

Imports of Leaf Tobacco into Germany

Source	: January-April : 1926	: January-April : 1927	: Per cent increase : 1927 over 1926
	: <u>1,000 pounds</u>	: <u>1,000 pounds</u>	: <u>Per cent</u>
Bulgaria	2,867	5,968	107
Greece	4,497	9,843	119
Turkey	2,202	4,895	122
China	527	896	70
Dutch East Indies...	6,518	22,631	247
Brazil	1,996	6,445	223
Dominican Republic..	1,501	5,071	238
United States.....	2,830	6,133	117
Others.....	883	2,665	202
Total.....	23,841	64,547	170

In spite of the increased importation, stocks of foreign tobacco in the chief German markets are comparatively small, according to the May report of a leading bank. Domestic tobacco from last year's crop is reported practically all sold. As farmers realized materially higher prices than in the previous year, it is expected that the acreage devoted to tobacco this season will be increased.

Employment in the German tobacco industry improved somewhat in practically all sections during April. Cigarette factories, on the basis of employment, showed greater activity than in several years. This industry in general is in bad shape financially, however, as a consequence of very strong competition and high taxes on the product. The government, in fact, has been unable to collect the tobacco taxes from many factories and has consented in the past few years to the postponement of payment to an extent where \$9,500,000 are now estimated as uncollectable. Efforts have been under way for some time to bring about some adjustment in the situation, and the government in only the past few days has announced new regulations for the extension of tax credits to factories. Factories availing themselves of such credits will have to (1) limit their profits to a fixed percentage of the retail price (the percentage varying according to the turnover of the previous half-year), (2) meet certain requirements as to conditions of payment granted customers, (3) keep their advertising within a certain relation to sales. Meeting these requirements will, of course, tend to limit the initiative of the concerns, and it is somewhat uncertain just what the future developments will be. Many firms, however, apparently have no other alternative.

"Virginia" cigarettes in Germany

The sale in Germany of so-called "Virginia" cigarettes (cigarettes made from Virginia tobacco) is estimated as amounting at present to only about $\frac{1}{2}$ to 1 per cent of the total consumption of cigarettes in Germany. Probably 80 per cent of these sales, moreover, are thought to represent consumption by foreigners or Germans who have acquired a taste for American tobacco through residence in England or America. Sales always increase largely during the tourist season.

German smokers have a decided preference for the milder oriental type of cigarette made from tobacco produced in Turkey and the Balkan region, but it is believed by members of the trade interested in the matter that the sale of Virginia cigarettes can be increased, although the market will doubtless be limited. There are now three German factories, located in Berlin, Hamburg and Cologne, which produce Virginia cigarettes. Sales by these factories are said to be increasing, although slowly, since retailers are willing to buy only in very small quantities. The brand produced by one of these factories is known to be sold by over 10,000 retailers.

The region around Hamburg and Bremen, along the German sea coast, and in the occupied and formerly occupied territory in western Germany, are most important for the sale of Virginia cigarettes, the liking for American type tobacco increasing noticeably in the northern part of Germany. A large chain tobacco store in Berlin estimates that Virginia cigarettes constitute from one to two per cent of the total cigarette sales in Berlin.

Two factors frequently mentioned as hindering the sale of Virginia type cigarettes are the unfortunate experiences with American tobacco immediately after the war, when a large quantity of poor quality product was placed on the German market, and the belief on the part of many would-be consumers that Virginia cigarettes contain opium, and are therefore injurious from a health standpoint. It does not appear impossible, however, to educate the German taste to American tobacco, as considerable numbers of the local population in such regions as the occupied districts have come, through contact, to prefer this type. The process of education would doubtless require intensive efforts over a considerable period.

MARKET CONDITIONS IN BULGARIA AND GREECE

According to recent reports from both Bulgaria and Greece, stocks of leaf tobacco, from the 1926 crop as well as earlier years, have been selling at a rapid rate and remaining quantities of grades suitable for export are now very small. Demand for good qualities is reported strong. Stocks in Central and Western Macedonia in the middle of March were less than a fourth of the 1926 crop. Some future sales of the 1927 crop are already reported from Bulgaria. Only a year ago stocks in both these countries were comparatively large.

Prices prevailing in Greece are reported to be from 20 to 30 per cent higher than a year ago, and the Bulgarian market is equally favorable. Reports from both Bulgaria and Greece indicate that the acreage devoted to tobacco in 1927 will probably be larger than in 1926. Market conditions for the crop also promise to be favorable with the large surplus stocks from previous crops cleared away.

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June 20, 1927.

FOREIGN NEWS ON TOBACCO



TOBACCO PRODUCTION AND TRADE OF MADAGASCAR

A decrease in area planted to tobacco and production in Madagascar is shown in 1926 compared with 1925, 14,000 acres and 19,814,000 pounds in 1926 compared with 15,000 acres and 19,842,000 pounds in 1925, according to the International Institute of Agriculture in Rome.

Great efforts are made by the French Regie (tobacco monopoly administration) in cooperation with the government of Madagascar to develop the tobacco industry of the island, states Consul Paul Dean Thompson at Tananarive, Madagascar. This policy on the part of the French Regie is dictated by a desire to substitute, largely for fiscal reasons, tobacco of colonial origin for the imports from foreign countries into France. The French Regie does not enjoy any monopolistic privileges in Madagascar as it does in France. The exports from Madagascar into France and other countries have been as follows:

LEAF TOBACCO: Exports from Madagascar

Year	Exports to France	Total exports
	Pounds	Pounds
1913	159	159
1924	573,383	574,529
1925	966,653	970,685
1926a/	782,282	

Source: Reports from Paul Dean Thompson, Vice Consul in charge, Tananarive, Madagascar, December 13, 1926; March 14, 1927.

a/ First three quarters only.

UNMANUFACTURED TOBACCO: Imports into France for domestic consumption

Year	Imports from Madagascar	Total French imports
	Pounds	Pounds
1922 a/	24,912	128,796,921
1923 a/	646,389	65,019,386
1924	612,217	58,536,980
1925	976,638	119,014,008

Source: Direction generale des Douanes. Tableau general du Commerce et de la Navigation, 1922-1925.

a/ Madagascar and dependencies.

It is obvious from the figures that considerable progress has been made in the export trade during recent years. Madagascar tobacco, however, notwithstanding the growth of the exports from the colony, still constitutes only about one per cent of the total French imports.

Tobacco purchased and shipped by the French Regie has been intended principally for use in cigarettes and ordinary smoking tobacco, according to a report from Consul James G. Carter, at Tananarive, Madagascar, of June 7, 1924. Among the new varieties introduced by the Regie, the Maryland tobacco has given best results. No classification of Madagascar tobacco exports by types is available, but it is fair to assume that a growing proportion will consist of types similar to Maryland. The nicotine content, of about 3 per cent, of Maryland tobacco grown in Madagascar is said to be too high, at least for French taste, and the Regie is trying to reduce it to $1\frac{1}{2}$ to $2\frac{1}{2}$ per cent. The so called "native tobacco", favored by the Malagasy, contains as much as 8 per cent of nicotine. Thus there is a differentiation between tobacco growing for export into France and for domestic consumption. Parenthetically it should be noted that exports of Maryland tobacco into France, although they have shown a decrease in 1926, seem generally not to have been affected by the increased exports of Madagascar during the last few years, as the following figures show:

"MARYLAND AND OHIO EXPORT" TOBACCO: Exports to France from the United States a/

Year	:	Pounds
1923	:	6,677,072
1924	:	6,195,893
1925	:	6,403,517
1926	:	5,609,920

Source: United States Department of Commerce.

a/ See Foreign Service Release on Developments in Foreign Markets for American Leaf Tobacco, February 21, 1927.

In addition to tobacco growing for export, there is developing in Madagascar within recent years a tobacco manufacturing industry. The following figures, furnished by the Director of Economic Service of the Government of Madagascar, are quoted by Consul Thompson.

TOBACCO PRODUCTS: Production in Madagascar

Classification	:	1924	:	1925	:	First six months, 1926
	:	Pounds	:	Pounds	:	Pounds
Cigars and cigarettes...	:	514	:	1,865	:	750
Smoking tobacco:	:	3,087	:	10,946	:	1,850
Chewing tobacco:	:	---	:	15,595	:	22,198
Total.....	:	3,601	:	28,406	:	24,798

The significance of this development, as Consul Thompson points out, is to decrease the dependence of Madagascar on import of manufactured tobacco products from Algiers, which was the main source of supply, thus releasing a corresponding portion of the Algerian tobacco production for the use of the Regie in France.

The following are the figures of imports of manufactured tobacco products into Madagascar, given by Consul Thompson in his report of December 13, 1926:

MANUFACTURED TOBACCO: Imports into Madagascar

Year	Country of origin					Total
	Algeria	France	Reunion	Other	countries	
	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>		<u>Pounds</u>
1913	77,155	17,557	10,805	1,931		107,448
1924	249,369	5,979	4,025	74		259,447
1925	331,486	41,352	1,481	81		374,400
1926 <u>a</u> / ...	162,701	5,141	139	42		168,023

a/ First six months.

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CONDITIONS AFFECTING THE CIGARETTE BUSINESS IN CHINA

The cigarette business in China has been subject to many difficulties in past years but has managed to overcome them and to expand, states Agricultural Commissioner Nyhus in a report to the Department of Agriculture. Recent months, however, and especially developments of the past thirty days, have brought about a variety of conditions that are seriously reducing current output.

Boycotts of British-American Tobacco Company's goods have been common in Southern China since May 1925, but the effect of the aggregate consumption has not been so noticeable since business was diverted to Chinese or American competitors. The present conditions are not so much discriminatory as they are common to all companies. All have the same difficulties.

Instead of an improvement it seems that conditions in the interior have become more chaotic and insecure. Transportation is such that it is impossible to get goods into considerable areas. Chinese merchants in the interior want goods but it is impossible to make deliveries. An embargo on silver at Hankow has upset the currency system so that interior dealers in that vicinity cannot make acceptable payment. Some firms have taken Hankow export goods in trade. Looting of foreign and Chinese property is too general in many localities to warrant keeping stocks in the interior of making shipments to many places.

Condition in various provinces

The situation is most unfavorable in Central China in the provinces of Hupeh, Hunan and Honan. The regime of the Red Nationalists at Hankow largely accounts for recent conditions in these provinces. Most of the foreigners, excepting possibly the German traders, have been evacuated from Hankow and ports farther up the Yantze river so that, together with risk of shipping goods, lack of boats, and the silver embargo at Hankow, foreign business has been reduced to a minimum. The Tobacco Products Corporation states that Chinese dealers in these provinces will assume the risk of delivery but the corporation cannot see payment forthcoming on many shipments excepting in depreciated Hankow Nationalist notes which are unacceptable. Troop movements and crippled transportation are additional sales obstacles. Current business is probably not more than one-half of normal in this district.

The three provinces about Shanghai, Kiangsu, Chekiang and Anhwei, are heavy consuming provinces and ocean ports and canals simplify the problem of transportation in these provinces. Sales have suffered in Anhwei from fighting and insecurity in general.

Southern provinces are more or less normal. The best business, relatively, in the northern part of the country is being done in the provinces of Chihli and Shantung. In Shantung the provincial authorities on May 10 declared a new tax rate of 30 per cent instead of 20 per cent ad valorem on cigarettes. Foreign companies refused to recognize the former 20 per cent tax and the tax was collected from Chinese dealers. The new tax must be paid before goods are shipped, forcing recognition of the tax by the tobacco companies, and authorities have demanded inspection of foreign godowns, or warehouses, in the enforcement of the new tax. New taxes are continually appearing in different provinces, according to the tobacco companies.

The reduction of business due to the above conditions is difficult to estimate. That current business is considerably reduced is certain, but for how long no one in the trade will venture to state since business recovers rapidly in China if given the least opportunity. A sales manager who returned a few days ago from Hankow believes that currency problems have reached a crises at Hankow that will force the Hankow regime to sanity. The present movement of several armies on Hankow may destroy the Hankow government.

The fact that anything may happen in China prevents people from making predictions but it would seem that there is little hope of an early recovery from the internal chaos and resulting restrictions to business, and it seems probable that the 1927 United States tobacco trade with China (leaf and cigarettes) will be materially reduced from 1926, says Mr. Nyhus. Reduction will be less than in many lines, however, since cigarette consumption in China is on the increase and transportation conditions prevent the fullest use of native tobacco.

Together with obstacles to business at this particular time which are more or less passing in significance when considered from a long time outlook for the cigarette industry in China, foreign executives of the larger firms are watching tariff and tax developments. How a Nationalist program may effect the business is one of the uncertain elements in the future. Provincial authorities of Chekiang are discussing a plan that is essentially a government tobacco monopoly for the province. This may not occur but tariff changes causing adjustments of the industry are quite probable.

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July 11, 1927.

FOREIGN NEWS ON TOBACCO

THE CANADIAN TOBACCO INDUSTRY

Next to British India, Canada ranks as the foremost tobacco producing country of the British Empire. Stimulated by the preference granted Empire grown tobaccos in the British market since September 1, 1919, the production of tobacco in Canada has increased from 14,232,000 pounds in 1918 to 28,824,000 pounds in 1926. Practically all of the tobacco grown in Canada is produced in the Provinces of Ontario and Quebec. Ontario produces about 70 per cent of the total crop and Quebec practically all of the balance. It has only been within the past two or three years that the Province of British Columbia has become interested in the production of tobacco and the crop there is still relatively insignificant.

Production

Although tobacco has been grown in Canada for many years, it was not until the imposition of a duty of 10 cents per pound on unstemmed tobacco and 14 cents per pound on stemmed tobacco in 1897 that farmers in the Dominion began to take active interest in its production. The tariff was increased several times since that date until it reached 40 cents per pound on unstemmed tobacco and 60 cents per pound on stemmed tobacco in 1918, where it now stands. Under the protection thus afforded, together with the preference granted Empire tobacco in the British market, the area devoted to tobacco in Canada has increased from 11,906 acres in 1900 to 27,825 acres in 1925 and 33,356 acres in 1926. Production during this period increased from 11,267,000 pounds in 1900 to 29,266,000 pounds in 1925 and 28,824,000 pounds in 1926. The slight decrease in the 1926 crop in the face of increased acreage was the result of the damage caused in Ontario by unfavorable weather conditions during September and October.

Producing areas and types of tobacco grown

The tobacco producing area of Ontario is confined largely to the six counties of Essex, Kent, Elgin, Norfolk, Middlesex and Lambton, all of which border the north shores of Lake Erie. The four main types of tobacco grown in this area are Burley, Flue-cured, Green River and Snuff tobaccos. The 1926 crop of salable tobacco amounted to 20,064,000 pounds. The crop was some 7,000,000 pounds greater but that amount was lost due to unfavorable weather conditions in September and October.

The production of tobacco on a commercial scale in Quebec is confined mainly to the counties of Montcalm, L'Assomption, Joliette, Rouville and Berthier, which border the St. Lawrence river between the cities of Montreal

and Quebec. A considerable number of different varieties of tobacco are grown. These are classified by the Agricultural Division of the Dominion Bureau of Statistics as follows: Cigar tobacco, large pipe tobacco, and small pipe tobacco. The 1926 crop amounted to 8,693,000 pounds. The tobacco producing area of British Columbia is confined mainly to the Okanagan Valley. Only about 60 acres, however, are being devoted to the crop. The production is entirely of the cigar binder type and amounted to 67,000 pounds in 1926.

CANADIAN TOBACCO: Producing areas and types grown, 1925 and 1926

Producing area and type of tobacco	1925		1926	
	Acres	Pounds	Acres	Pounds
<u>Ontario</u>				
Burley	7,340	9,432,000	12,217	11,077,000
Flue-cured	7,331	6,268,000	6,429	4,331,000
Green River	3,135	4,342,000	4,438	4,161,000
Snuff types	455	581,000	409	495,000
<u>Quebec</u>				
Cigar	4,792	4,522,000	4,923	4,726,000
Large pipe	3,101	3,101,000	3,160	3,018,000
Small pipe	1,480	814,000	1,725	949,000
Other types	181	165,000	---	---
<u>British Columbia</u>				
Cigar binder	10	11,000	55	67,000
Total	27,825	29,266,000	33,356	28,824,000

Compiled from statistics published in the "Monthly Bulletin of Agricultural Statistics" for March 1926 and 1927.

Farmers in Ontario and Quebec begin their plant bed activities as soon as the frost is out of the ground. Plant bed sowing in Ontario usually begins early in April. In the Quebec tobacco growing districts the usual time for seed bed sowing is about April 20. Field transplanting in Ontario usually commences late in May and in Quebec early in June. Some transplanting in Ontario is frequently done as early as May 20, but in general this is considered somewhat precarious because of the danger of frost damage. Unless retarded by wet weather, transplanting in both Ontario and Quebec is completed as a rule by June 20. Harvesting in Ontario and Quebec begins around the end of August and is usually completed by the end of the first week in October.

Principal causes of damage to the crop

The principal dangers that the tobacco farmers of Ontario and Quebec have to contend with early in the season are cutworms and wireworms, root-rot, damping off, and damage by sand storms. The high winds with drifting sands which frequently occur during the transplanting season in Ontario often make it necessary for farmers to harrow up entire fields and transplant. Later in the season, especially during August, the heavy rains frequently damage the growing crops by flooding the fields. The principal danger during the harvesting season in September is from frost damage, particularly if too much rain and

humid weather have retarded harvesting operations. The rapid increase in acreage in Ontario during the past few years has resulted in considerable shed burn because of hanging lathes too closely in the curing barns or by using sheds that were not properly constructed for curing tobacco, according to the Tobacco Crop Reporting Service of the Dominion Bureau of Statistics.

Canadian tobacco consumption and trade

While the domestic production and exports of Canadian tobacco have been steadily increasing during the past five years, the quantities of domestic grown leaf retained for consumption in Canada have remained at approximately the same levels. During the five years ended March 31, 1927, an annual average of 21,734,000 pounds of domestic grown leaf were retained for consumption in Canada as compared with an average of 20,269,000 pounds during the preceding five years.

The wide variation in consumers' taste makes it necessary for Canada to import large quantities of tobacco of a type either not grown there in sufficient quantities or of a type not grown there at all. Over 95 per cent of these imports come from the United States, much of it consisting of bright flue-cured leaf. The relatively small imports from countries other than the United States represent largely types of tobacco not grown either in Canada or the United States, but necessary for the Canadian trade. This tobacco comes mainly from Cuba. Net imports from all sources during the five years ended March 31, 1927 averaged 15,247,000 pounds annually as compared with an annual average of 21,429,000 pounds during the preceding five years.

Recent changes in consumers' habits, not only in Canada but in other parts of the world as well, have greatly increased the demand for cigarette types and there has been a corresponding decline in the use of plug smoking and chewing tobaccos and cigars. Bright flue-cured leaf, which constituted about 15 per cent of the 1926 Canadian crop, is the most important of the cigarette types of tobacco grown in Canada. The Canadian production of this type, however, has to be supplemented by large imports from the United States. Burley, which constituted about 40 per cent of the Canadian crop in 1926, is used for cigarettes to some extent, but the dark tobaccos in general enter more largely into the tobaccos whose use is relatively declining.

Bright flue-cured is the type most largely imported into Canada, comprising about 80 per cent of the total imports. Imports of Burley and Green River are very small. Thus it seems quite obvious that any increase in the Canadian production of the Burley and Green River types will have to find an outlet in the export market. The extent to which the Canadian production of bright flue-cured leaf can expand and supplant the present imports of that type from the United States will depend entirely on the relative costs of production and the quality of the leaf produced and on the demand for Canadian bright flue-cured leaf in the foreign market.

According to thr Ontario Department of Agriculture, bright flue-cured leaf is grown almost entirely on soils that usually cannot be profitably devoted to the production of other farm crops. Burley and Green River tobaccos, however, are grown on soils and in areas adapted to the production of a wide range of products. Corn, beans, early vegetables, sugar beets, and hog raising enterprises compete with Burley and Green River tobacco for the use of the land. An examination of the acreage figures on page 2 shows that the acreage devoted to Burley and Green River types show a considerable expansion while that devoted to the other types remained at about the same level or declined. An interesting question arises as to the extent to which the corn-barer may have been responsible for the expansion in the Burley and Green River acreage.

British preference on Empire tobacco

Prior to the establishment on September 1, 1919, of the British Preference on Empire grown tobacco, the Canadian tobacco exports never exceeded 225,000 pounds annually, and on the average were considerably below that figure. The regular duty on tobacco entering the United Kingdom is 8s, 2½d per pound, or approximately \$2.00. The preference reduces this rate to \$1.50 per pound on all tobacco coming from Empire sources of supply. This substantial preference no doubt largely explains why the exports of Canadian tobacco, which averaged only 175,000 pounds annually during the five years preceding its establishment, increased to an average of 4,240,000 pounds during the past three years. Practically all of the Canadian exports of tobacco go to the British market where manufacturers and importers state that it is more satisfactory for blending purposes than any tobacco now being produced in the Empire countries.

The following tabulation gives the production of tobacco in Canada, together with imports, exports and reexports, over a period of years:

CANADIAN TOBACCO MARKET: Movement of unmanufactured tobacco
1918-19 to 1926-27 compared with the 1913-14 to 1917-18 average

Year ending March 31	: Total : production	: Total : imports	: unmanu- : factured	Shipments out		: Unmanufact- : ured retain- : ed for con- : sumption
				Exports	Reexports	
	: Thousand	: Thousand	: Thousand	: Thousand	: Thousand	: Thousand
	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds
Average 1913-14	:	:	:	:	:	:
to 1917-18	9,187	18,511	118	175	27,405	
1918-19	14,232	25,103	90	254	38,991	
1919-20	33,770	24,345	224	476	57,415	
1920-21	32,645	20,007	200	17	56,773	
1921-22	13,249	20,871	472	72	33,576	
1922-23	25,948	14,549	1,100	14	39,383	
1923-24	21,297	15,941	2,055	78	35,105	
1924-25	18,711	13,713	3,531	113	28,787	
1925-26	29,266	14,944	2,860	123	41,227	
1926-27	28,824	17,447	6,331	34	39,406	

Source: "Monthly Bulletin of Agricultural Statistics" and "Annual and Monthly Bulletins of Trade Statistics."

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July 18, 1927.

FOREIGN NEWS ON TOBACCO

NEW CIGARETTE TAX IN CHINA



The Nanking Government in China has announced a tax on cigarettes of 50 per cent ad valorem in the provinces under its control, according to a cable from Agricultural Commissioner Nyhus at Shanghai. The provinces at present under the complete control of the Nanking Government are: Kwantung, Kwangsi, Kiangsi, Szechwan, and Anhwei. The former tax was about 20 per cent. Both foreign and Chinese dealers are objecting vigorously to the tax, claiming that it is excessive and, in fact, ruinous. Tobacco dealers have shipped practically no cigarettes into the new tax territory since July 1 and are awaiting the results of protests which have been made by the foreign firms to their home governments. Prospects are poor, however, for a reduction in the tax, states Mr. Nyhus. The tobacco trade expects a serious curtailment of sales as a result of substantially higher prices and looks for a possible substitution of native leaf for the American product.

There has been no improvement in the cigarette business in other parts of China. The current sales of tobacco are probably not more than 50 per cent of normal. As an indication of the depressed conditions, it may be mentioned that only two out of the six factories of the British-American Tobacco Company are now operating.

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FOREIGN NEWS ON TOBACCO

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THE GERMAN AND DUTCH TOBACCO MARKETS IN JUNE

The tobacco markets in Bremen and Hamburg became somewhat more active and prices firmer in the latter part of June, following relatively quiet business during the first half of the month, according to a report from Agricultural Commissioner G. C. Haas, Berlin, summarizing German trade reports. Imports are running much higher than a year ago and tending to increase, but sales have also been increasing, the buying being characterized by the number of buyers rather than by the size of individual sales. Arrivals and sales appear to be fairly well balanced on the whole, with no indications yet that port stocks are accumulating. In the case of Brazil tobacco, however, the 1926 crop of which is now arriving in quantity, the stocks of poor and middle qualities are tending to rise, although the demand is good for cheaper as well as the better grades, of which supplies are comparatively small.

Similar reports for June have also been received from Amsterdam, the tobacco market being at first somewhat weaker, with German buyers less active, but in the latter part of the month more lively, with good demand coming from Germany, especially for the Bozocki crop of Java, which is of good quality and commanding high prices. The new Sumatra crop is described as inferior to the 1925 crop.

German imports of leaf tobacco in May reached the highest figure since September 1925, amounting to 18,683,000 pounds compared with 15,759,000 in April and 8,833,000 pounds in May 1926. Imports from the United States were larger but most of the increase was due to greater importation from Balkan countries and the Dutch East Indies.

Importation of the new 1926 tobacco crop from both Brazil and the Dutch East Indies has recently set in. Bremen imports from Brazil during May amounted to 15,700 packages, as compared with a monthly average of 5,200 from January to April, while Hamburg imports from Brazil amounted to 12,875 in May as compared with a monthly average of 2,556 in the preceding 4 months. The quality of the new 1926 crop from both Brazil and Sumatra is reported as not very good in comparison with that of 1925, a fact which probably explains some accumulation of stocks of the 1925 crop by cigar manufacturers, and the reports of quiet business during early June, when the new crop was coming on the market. Prices of the new crop leaf from these countries are reported as below quotations for 1925 leaf.

The market for German domestic leaf tobacco was reported quiet in the first half of June, but business became better and prices firmer in the latter part of the month. The better qualities of the 1926 German crop, which is now passing from the curing sheds to the factories, are reported sold to a

considerable extent. There has been a fairly good demand from the smoking tobacco industry, which is the principal user of German leaf as well as of the American tobacco imported into Germany. The demand from cigar manufacturers for domestic tobacco during June appears to have been limited, partially because of the high prices being asked for the domestic crop, but possibly also because of the accumulation of some stocks by cigar manufacturers in recent months, which is reported by newspapers.

The setting out of the 1927 German tobacco crop has now been finished and the acreage is reported to be larger than last year. In the middle of July the crop showed improvement over rather unfavorable conditions prevailing earlier in the season. Leaf disease is reported from the Palatinete.

Employment conditions in the German tobacco industry during May showed pronounced further improvement, continuing the upward tendency of recent months, apparently in reflection of an increasing demand for tobacco arising from the improvement of the economic situation in Germany. The free workers' unions report the percentage of fully employed in all lines of the industry as 80.5 per cent in May as compared with 74.6 in April and an average of 42 per cent in the second quarter of last year. The occupation in the cigarette industry rose from 70 per cent in April to 83.7 per cent, the latter the highest point in recent years. In the cigar industry the percentage fully employed in May amounted to 76.5 as compared with 75.1 in April, and in the smoking tobacco industry 86.1 as compared with 85.1 in April.

Attention is called to the fact that in the new regulations for the extension of tax credits to factories, recently announced by the Government and reported in Foreign Service Release T-30, June 18, the factories availing themselves of such credits are required to limit dealer's profit to a fixed percentage of the retail prices, rather than their own profits. This is possible because of the fact that the dealer's profit consists only of a rebate made by the factory, the retail price being fixed by the factory, which places a revenue stamp indicating the price upon each package. This regulation is a measure to ensure collection of the cigarette taxes for the Government, and also something of an effort to prevent price cutting on the part of a few dealers. The general effect of the new measure will be to reduce dealers' profits from around 30 to 35 per cent of the retail price to about 25 to 27 per cent. Some attempt is being made to have this percentage increased.

TOBACCO MARKETS OF BULGARIA AND GREECE

Information from Bulgaria continues to indicate low stocks of tobacco, particularly of qualities suitable for export, according to Agricultural Commissioner Haas. The tobacco market has been reported

firm during the first three weeks of June in anticipation of important buying by various European Government monopolies, and middle of the month reports indicate that some important sales have been made, with others likely to result from negotiations now taking place. The monopolies are reported especially interested in tobacco of the 1925 crop, but the demand for 1926 tobacco is also strong. Many farmers are reported already to have sold the whole 1926 crop, especially the good qualities. There is reason to believe, however, that there are still some stocks of low quality tobacco not entirely suitable for export.

Reports from Greece covering about the first three weeks of June also indicate lively business in the tobacco market, following the settlement of labor troubles which had been interfering with sales and exports during the first part of the month. The Saloniki market reports somewhat smaller business than in April and in the first half of May, when sales were large, but the Xanthi, Kavalla and Volo markets report that foreign buying has been very lively, with Germany especially interested. Sales in recent weeks have materially exceeded the rate of exportation. Stocks in the interior are reported small.

Reports as to the probable acreage and production of tobacco in both Bulgaria and Greece this year are very conflicting. Provisional data of the International Institute of Agriculture at Rome give only 39,000 acres for Bulgaria as compared with 74,000 in 1926. Some trade reports have been indicating that the acreage in both Bulgaria and Greece would be somewhat larger than in 1926. A recent report of a leading German bank places the acreage in Bulgaria at about 10 per cent smaller than last year. Reliable information on the condition of the crop in these countries is not yet available, but weather conditions are said to have been favorable at planting time, and press reports state that the crop in Thessaly (Greece) will be good in quality and quantity. "La Bulgarie" of June 28, also states that tobacco is very promising in the Bulgarian district of Doupnitza, but that the condition in the Gorna-Djoumaia section leaves much to be desired. Newspaper reports have placed the Bulgarian crop at about 55,000,000 pounds, a crop about the same as last year. This figure is obviously nothing more than a rough guess, but it may indicate that conditions are similar to last year.

BELGIAN TOBACCO MARKET

The market for leaf tobacco in Belgium was quiet during May, according to a report from Vice Consul David McKey at Antwerp. A limited number of transactions were recorded in the 1926 crop of Kentucky tobacco and in the cheap burley grades, but apart from these orders were slow. A number of foreign buyers operating in Belgium manifested interest in the new crop of Dominican tobacco which is said to be especially suitable for manufacture into cigars. The prices demanded for this tobacco are too high to permit its sale in Belgium, but it is reported that German buyers

purchased freely. Early June quotations ranged from 46 cents to 47 cents per pound, to be weighed upon arrival in Antwerp. Virginia tobaccos continued to be neglected during May and have been replaced by cheap burley and Paraguay tobaccos. The latter, as well as Rio Grande tobacco, is extensively used in Belgium for cutting purposes, particularly the dark leaves which are cheaper than the light colored leaves. With regard to tobacco from Sumatra and Java, the demand was light for cigar manufacturing due to the high prices which prevailed, but for cutting purposes sales of Java tobacco were relatively heavy despite high quotations. No sales of Brazilian tobacco were recorded during May as this tobacco is too expensive to be sold here at the present time.

Arrivals of tobacco from the United States in May showed a decline as compared with arrivals during April. Stocks in Antwerp are heavy and are composed chiefly of the cheaper grades of tobacco. The Belgian tobacco industry, as has been the case during the past several months, bought sparingly and most of the purchases recorded during May were made by foreign buyers. In the market for Near Eastern tobacco a relatively important amount of business was concluded and there prevailed a good demand for high grade tobaccos. In this connection, there was a particularly keen demand for Western Macedonian tobacco and for burley tobacco of the 1925 crop. To a lesser extent there existed a demand for Trebizond tobacco but stocks of this tobacco are very low.

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UNITED STATES DEPARTMENT OF AGRICULTURE
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July 22, 1927

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FOREIGN NEWS ON TOBACCO

THE DECREASED MARKET FOR AMERICAN TOBACCO IN ITALY

Reports for 1926 and for earlier years show a continuation of the movement of Italy toward self-sufficiency in tobacco production and decreased dependence on supplies from the United States, which was noted in Foreign Service Release of July 27, 1926, "The Market for Cigarettes in Italy." Domestic production has continued to increase while imports of leaf tobacco, cigarettes and cigars all decreased in 1926 as compared to 1925. Exports of leaf tobacco did not change to any extent in 1926. Cigarette exports fell off while cigar exports increased.

Production

While only 20,000 acres were planted to tobacco in 1913, yielding a crop of almost 23,000,000 pounds, the acreage in 1922 was more than 55,000 acres with a production of 51,000,000 pounds. A further increase occurred between 1922 and 1925 when the area exceeded 100,000 acres and production amounted to more than 92,000,000 pounds. The acreage slightly decreased in 1926 but production showed a further gain, reaching almost 98,000,000 pounds. Acreage in 1926 was 77 per cent greater than in 1922 and 390 per cent greater than the average for 1909-13, while production was 92 per cent greater than in 1922 and 326 per cent greater than in 1909-13.

The principal tobacco types grown in Italy, according to a report from Consul Harold D. Finley at Naples, are the Kentucky type used for strong cigars; the dark Virginia leaf used in milder cigars, which, in Italy, bear the Virginia name, and certain cigarette varieties, resembling the Virginia and Maryland tobaccos of our country.

Imports

Italian tobacco imports are largely of American tobacco, mostly of the Dark Fired Kentucky and Tennessee, and the decline has been mostly in these tobaccos, and Dark Virginia. According to a report by E. Humes, research assistant in the office of the American Commercial Attache at Rome, the Tobacco Monopoly expects to reduce purchases from the United States still further during the current year and hopes to expand its exports. Since Italy has been one of the important purchasers of our Dark Fired Kentucky and Tennessee tobaccos, having taken nearly 21 per cent of our exports in 1923, the movement is significant to growers of those tobaccos.

An analysis of statistical data for the five year period 1922-1926 discloses the following facts, first, a steady decrease of imports of foreign leaf tobacco into Italy, second, a greater curtailment of imports from the United States than of total imports from all countries, third, increased domestic production and acreage, with specialization in the growing of dark tobaccos, similar to the types which predominated in imports from the United States.

Before the war, in 1909-1913, the United States supplied on the average 85.7 per cent of the total Italian imports of tobacco, and in 1922, 82 per cent of the total. In 1926 our share declined to only 39 per cent. At the same time the share of the three Near Eastern countries, Turkey, Greece and Bulgaria, primarily growing the so-called Turkish cigarette variety of tobacco, has been increased.

Exports

The considerable increase in exports of leaf tobacco and cigars which has been taking place since 1922 is noteworthy. The bulk of the exports go to Argentina and Tripoli. Leaf tobacco exports, which averaged 3,000,000 pounds a year in the period 1909-1913, dwindled to an average of only 182,000 in the period 1919-22, but have been increasing rapidly since that time. Before the war, Italy was exporting on the average 283,463 pounds of cigars and cigarettes, and importing 50,641 pounds annually. In 1926 Italian exports of cigars alone amounted to 1,281,616 pounds. Almost 95 per cent of the cigar exports are cheap, strong cigars known locally as "Toscani". Exports of dark cut tobacco which formerly made up an important item of Italy's export trade in tobacco manufactures has declined sharply during the last two years.

Although exports of cigarettes during the past few years have tended to be greater than imports, this may have been due to a piling up of stocks as a result of heavy imports in the period immediately following the war. Cigarette imports ever since the war have been much heavier than in previous years. Although it cannot be ascertained exactly, it appears that exports of cigarettes have also been greater generally since the war than before.

ITALY: Tobacco acreage and production, average 1909-1913,
annual 1922-1926

Year	Acreage	Production
	<u>Acres</u>	<u>1,000 pounds</u>
1909-1913 avg. <u>a/</u>	20,000	22,964
1922	55,333	50,964
1923	75,400	69,004
1924	83,500	91,105
1925	100,600	92,374
1926	98,100	97,886

a/ Estimated for present boundaries.

ITALY: Foreign trade in leaf tobacco, average 1909-1913,
annual 1922-1926

Year	Imports				Exports	
	From United States	All other countries	Total	Per cent imported from U.S.	Total	
	1,000 pounds	1,000 pounds	1,000 pounds	Per cent	1,000 pounds	
Average <u>a/</u>						
1909-13	40,912	6,520	47,732	86	3,008	
1922	40,284	9,049	49,333	82	2	
1923	30,586	10,718	41,304	74	869	
1924	22,274	13,438	35,712	62	2,531	
1925	13,499	12,110	25,609	53	6,980	
1926	5,036	7,884	12,970	39	6,997	

Official sources.

a/ United States Department of Commerce, Trade Promotion Series No. 7, p. 47.

LEAF TOBACCO: Exports from United States to Italy, by types,
1923 to 1926

Year	Dark fired Kentucky and Tennessee	Maryland and Ohio Export	Dark Virginia	Other leaf tobacco	Total leaf tobacco
	Pounds	Pounds	Pounds	Pounds	Pounds
1923	31,037,715	830,820	834,135	1,613,750	34,316,420
1924	15,508,236	645,435	485,760	206,095	16,845,526
1925	10,211,502	754,765	181,240	115,974	11,263,481
1926	4,065,727	546,864	5,360	1,196,343	5,814,294

Source: United States Department of Commerce.

UNITED STATES: Exports of Dark Fired Kentucky and Tennessee tobacco,
with percentage exported to Italy, 1923 to 1926

Year	Total exports Pounds	Per cent exported to Italy Per cent
1923	150,880,171	20.6
1924	170,228,088	9.1
1925	116,973,788	8.7
1926	119,847,307	3.4

Source: United States Department of Commerce.

ITALY: Foreign trade in tobacco and its products, average
1909-1913, 1919-1922, annual 1923 to 1926

Year	Leaf tobacco		Cigarettes		Cigars	
	Imports	Exports	Imports	Exports	Imports	Exports
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Average :	:	:	:	:	:	:
1909-13 :	47,732,000	3,003,000	a/	a/	a/ 50,641	a/ 283,463
Average :	:	:	:	:	:	:
1919-22 :	62,522,000	182,000	5,153,693	257,136	722,158	824,590
1923 ... :	41,304,000	869,000	80,380	256,630	6,600	1,039,350
1924 ... :	35,712,000	2,531,000	199,870	166,470	13,010	1,037,420
1925 ... :	25,609,000	6,980,000	290,400	521,410	17,650	919,270
1926 ... :	12,970,000	6,997,000	235,350	143,614	6,12.	1,281,616
:	:	:	:	:	:	:

Official sources.

a/ Cigarettes are included with cigars. Cigars and cigarettes not stated separately during the period.

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FOREIGN NEWS ON TOBACCO

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DEVELOPMENTS IN THE CHINESE TOBACCO TRADE

The tobacco business in North China is considerably reduced but is better than was anticipated in the spring when the increased taxes on tobacco were announced, according to a cable just received in the Bureau of Agricultural Economics from Agricultural Commissioner P. C. Nyhus, who is now at Tientsin. The dealer tax is now quite uniformly 30 per cent ad valorem compared to 20 per cent last winter. Some areas in North China are closed to distribution because of the fighting and the lack of transportation. Business is probably most adversely affected in Shantung Province under a tax of 36 per cent and where another increase was effective on October 14. Both the Tsingtao and Tientsin factories of an important British cigarette company were closed last summer when a factory tax of $6\frac{1}{2}$ per cent was declared. The tax was subsequently repealed at Tientsin and that factory is now operating at about capacity but the tax continues in Shantung and the Tsingtao factory remains closed. In Manchuria, where order prevails, the tobacco business continues to increase. Trade reports state the Nanking government tax of 50 per cent on cigarettes has been repealed and that this business in South China is being done under the usual tax of about 20 per cent. Both British cigarette factories at Shanghai are reported to be in operation. The production in China of flue cured Virginia leaf is estimated at about 15,000,000 pounds this year as compared with 9,000,000 pounds last year and about 70,000,000 pounds in 1920, states Mr. Nyhus.

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FOREIGN NEWS ON TOBACCO

INCREASED TOBACCO PRODUCTION IN WINDSOR DISTRICT, ONTARIO, CANADA

Advance figures with regard to tobacco production in the Windsor District, where the great bulk of Canadian tobacco is grown, show returns of approximately 36,590,000 pounds, grown on 29,400 acres, as against an approximate total in 1926 of 25,000,000 pounds, grown on 21,429 acres, of which, however, there was a loss of about twenty-five per cent because of unfavorable weather conditions, according to a report of October 15, 1927, from Consul H. F. Hawley at Windsor. The total saleable tobacco from the 1926 crop, that is, tobacco harvested in good condition, was probably somewhat over 18,000,000 pounds. It would appear that the crop this year will exceed in quantity and quality any hitherto grown in Canada, states the Consul.

The 1926 area planted to the various types of tobacco in the Windsor district was officially estimated as follows:

Type	County		Total
	Essex	Kent	Windsor District
	<u>Acres</u>	<u>Acres</u>	<u>Acres</u>
Burley	6,505	5,038	11,543
Flue cured	5,637	80	5,717
Green River	1,858	1,842	3,700
Snuff	-----	409	409
Total	14,060	7,369	21,429

Compiled from "Monthly Bulletin of Agricultural Statistics", March, 1927, published by the Dominion Bureau of Statistics.

Production figures for last year are not available by counties. The total Canadian tobacco crop for 1926 is officially estimated at 23,824,000 pounds from an acreage of 33,356 acres.

The following estimate of the 1927 tobacco acreage and production of the Windsor District by types and counties is based on information supplied by Consul Hawley:

Type	County				Total	
	Essex		Kent		Windsor District	
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>acres</u>	<u>pounds</u>	<u>acres</u>	<u>pounds</u>	<u>acres</u>	<u>pounds</u>
Burley	6.0	9,000	8.6	11,600	14.6	20,600
Flue cured .	7.0	5,600	---	-----	7.0	5,600
Dark <u>a/</u> ...	4.0	6,000	3.8	4,390	7.8	10,390
Total ...	17.0	20,600	12.4	15,990	29.4	36,590

a/ Probably Green River and Snuff.

Present indications are that the tobacco is of excellent quality, much better than that of 1926. Harvesting and curing conditions and the quality of the leaf have been superior to the past two or three seasons. Harvesting was practically completed by October 12, to which date there had been no frost. However, much still depends upon the care given the leaf after harvesting.

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UNITED STATES DEPARTMENT OF AGRICULTURE

Bureau of Agricultural Economics

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FOREIGN NEWS ON TOBACCO

CENTRAL AND SOUTHEASTERN EUROPEAN TOBACCO MARKETS IN SEPTEMBER

Germany

German tobacco markets showed slightly more animation during September and early October and prices of both foreign and domestic tobacco continued firm, according to a report from Acting Agricultural Commissioner L. V. Steere at Berlin. The total volume of sales was fairly satisfactory but transactions involved mainly small purchases for current needs. As in recent months, the demand continued relatively better for the better qualities of tobacco. This was particularly true of Brazilian tobacco, port stocks of which have now become quite large as a result of the heavy arrivals of recent months. Fairly large sales of Balkan tobacco are reported, mainly of lower grades, but little business was done in the market for domestic tobacco, supplies of the 1926 crop being nearly exhausted and the new crop being dealt in only to a small extent. Farmers' quotations for the new crop are considered excessive by the tobacco trade.

German imports of leaf tobacco continue to rise, importations in August amounting to 19,548,000 pounds as compared with 18,713,000 in July and 15,892,000 in August last year. Total importations for the eight months ending August this year have amounted to 139,551,000 pounds as compared with 74,100,000 for the same period last year. Definite figures on tobacco stocks are not available, but it appears that stocks, though increasing, are not excessive. Stocks of Brazilian tobacco, however, especially of lower grades, are seasonally large.

Arrivals and sales of tobacco at Bremen and Hamburg

Type	Unit	Bremen			Unit	Hamburg		
		Sept.	Aug.	July		Aug.	July	
<u>Arrivals</u>								
Havana.....	Bales	60	100	40	Bales	600	100	
Brazil.....	Packages	19,600	29,400	28,800	"	12,500	11,900	
Domingo.....	"	8,800	5,300	9,700	Packages	6,200	6,300	
Carmen.....	"	2,200	5,000	2,600	Bales	---	500	
Kentucky.....	Hogsh'd.	1,670	988	710	Hogsh'd.	400	600	
Virginia.....	"	670	1,115	665				
Java.....	Packages	7,070	7,500	4,600	Bales	1,200	2,600	
Sumatra.....	"	1,630	1,400	1,150	"	100	55	
China.....	"	1,150	2,300	2,800	"	46,000	a/ 61,500	
Orient.....	"	3,200	3,500	1,600	"			
(Balkans and Turkey)....								
<u>Sales</u>								
Havana.....	Bales	520	280	160	Bales	600	100	
Brazil.....	Packages	9,100	8,700	16,700	"	4,500	b/ 8,400	
Domingo.....	"	7,700	6,800	8,200	"	6,000	6,300	
Carmen.....	"	830	4,300	1,850	"	---	500	
China.....	"	1,980	2,300	2,800	"	200	200	

a/ 25,000 bales from Russia. b/ 1,000 bales 1925-26 crop and 7,400 bales 1926-27 crop.



The German tobacco crop has now been nearly all harvested, and it appears that production is probably somewhat larger than last year. The very pessimistic reports on the crop outlook early in September, following the bad weather in August, have now been replaced by a somewhat more optimistic view of production, although the quality is considered much below that of last year by the trade. While the bad weather caused heavy damage both as to yield and quality, private estimates now expect a production of about 41,200,000 pounds as compared with the official estimate of 31,700,000 last year. The varieties of German leaf used for smoking tobacco are said to have suffered greater deterioration in quality than cigar leaf types, and prices of such types are reported increasing, a fact of some importance to American exporters since considerable leaf for smoking tobacco purposes is purchased by Germany from the United States. German farmers, however, take a somewhat more favorable view than dealers as to the quality of this year's crop.

Employment in German tobacco factories was generally well maintained in both the cigar and smoking tobacco sections during August, but the number of workers fully employed in the cigarette branch dropped from 82 per cent to 70 per cent. The latter decrease is possibly seasonal to some extent and the outlook for activity in all branches of the industry seems favorable for the months immediately ahead.

Holland

Good demand and an increasing tendency of prices are reported from the Sumatra and Java leaf tobacco auctions in the Dutch market during September. German buyers were quite active.

Rather unsatisfactory conditions of employment exist in the Dutch cigar industry, but satisfactory occupation in the cigarette branch during the first half of 1927 are reported in a statement by the Central Statistical Office at The Hague.

Bulgaria

Business on Bulgarian tobacco markets during the first three weeks of September was characterized by comparatively small transactions but a firm tendency of prices and a reserved attitude by sellers who are looking for better prices as a result of the generally poor tobacco crop in the Balkan countries this season. The demand for good quality leaf continued satisfactory but the amount still available seems to be comparatively small and prices being realized are good. Some statements indicate that higher prices may be expected when European monopoly administrations begin their purchases.

Estimates of the Bulgarian crop remain about unchanged, at from 33 to 40 million pounds, although some statements indicate that not more than 33 million can be expected. The International Institute of Agriculture reports an official estimate of 34,811,000 pounds. The quality of the crop is said to be fairly satisfactory on the average, although the size of the leaf is smaller than normal. The color is good. A recent press report from Bulgaria makes the following comparison of the 1927 and 1926 tobacco acreages:

Bulgarian tobacco acreage in 1926 and 1927

District	1926	1927	Decrease
	<u>Acres</u>	<u>Acres</u>	<u>Per cent</u>
1. Northern Bulgaria <u>a</u> /...	5,555	1,806	67
2. Bourgas, Sofia and Stara-Zagora Districts <u>b</u> /.....	5,323	3,711	30
3. Others <u>c</u> /.....	64,352	60,181	6.5
Total.....	75,230	65,698	12.7

a/ Districts not suited to growing of good qualities. b/ Districts where natural conditions are only fair for growing good qualities. c/ Districts where natural conditions are excellent.

Greece

Generally brisk business and firm prices were reported from Greek tobacco markets during the first half of September. Trade reports indicate that stocks of tobacco on hand are limited but it appears that statements about low stocks apply principally to good quality leaf, as a recent semi-official report placed stocks in the hands of the farmers and the trade at the end of June at 60,332,000 pounds as compared with 62,183,000 pounds on the same date last year.

The Greek association of tobacco dealers recently estimated this year's crop at 114,145,000 pounds as compared with 120,168,000 last year, a decrease of about 5 per cent. In spite of the reduced yield, the quality of this year's Greek tobacco is now thought to be quite good, especially in the Kavalla and Drama districts of Macedonia.

Turkey

September reports on the Turkish tobacco crop show a rather remarkable drop in estimates of production. A leading German bank, which placed production at 120 to 130 million pounds in its mid-August report now states that only 88 to 99 million pounds are expected. A preliminary estimate of the Turkish Tobacco Monopoly places the 1927 crop at 91,513,000 pounds, according to Assistant Trade Commissioner E. T. Keeler at Constantinople. The quality is said to be excellent.

Yugoslavia

The Yugoslav tobacco crop will be very poor this year, according to private information. Production is placed at only about 11,000,000 pounds as compared with 32,683,000 last year, of which South Serbia will produce about 7,000,000 pounds as compared with 19,330,000 in 1926. While this reduction seems excessive, it corresponds rather closely with the reported decrease in tobacco acreage in northern Bulgaria. Unsold stocks of leaf tobacco in Yugoslavia are reported quite large, but it appears that much of this tobacco is not of very good quality. It is said that exports have been possible only to Czechoslovakia and Poland during the past year.

TOBACCO PRODUCTION IN THE BALKANS AND TURKEY

One of the outstanding features of the 1927 tobacco situation is the continuation of the general downward trend since 1924 in the production of the Balkan countries and Turkey. The tobacco produced in these countries is used principally for cigarettes.

TOBACCO: Production in the Balkans and Turkey, 1925, 1926 and 1927

Country	1925	1926	1927	Per cent 1927 of 1926
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
Bulgaria.....	89,948	59,942	34,811	58.1
Greece.....	129,245	120,169	114,145	95.0
Yugoslavia.....	26,590	32,683	b/ 11,000	33.7
Turkey.a/.....	104,500	83,775	91,500	109.2
Total above countries...	350,283	296,569	251,456	84.8

a/ Including Asiatic Turkey. b/ Unofficial estimate.

TOBACCO PRODUCTION IN THE UNITED STATES

The October 1 estimate is for a total United States tobacco crop of 1,169 million pounds, compared with 1,301 million pounds in 1926, and is about 500,000 pounds above the September 1 forecast. Favorable weather conditions during September improved the outlook in tobacco districts where the crop had not already been harvested and were also generally favorable to curing. Condition reports, coupled with preliminary information on probable yields per acre, however, indicate the need for revising the September 1 forecasts for certain types. Flue cured tobacco is now estimated at 634 million pounds, 12 million pounds below the September forecast, compared with 565 million pounds produced last year; Burley is estimated at 197 million pounds, slightly below last month's figure and 104 million pounds below the estimate for 1926; the fire-cured group is estimated at 121 million pounds compared with 124 million pounds last month and 183 million pounds in 1926. The Green River outlook has improved from 22 million pounds on September 1 to 26½ million pounds on October 1. Notable improvement in cigar leaf prospects were made during the month. The outlook on September 1 was for a production of 130 million pounds. The present estimate is 140 million pounds compared with 145 million pounds in 1926.

TOBACCO: United States production by types, 1926 and 1927

Type	1926	1927 ^{a/}
	<u>1,000 pounds</u>	<u>1,000 pounds</u>
<u>Flue cured</u>	565,221	634,143
<u>Fire cured</u>		
Virginia dark.....	43,829	32,647
Clarksville and Hopkinsville....	95,500	63,935
Paducah.....	33,725	18,200
Henderson.....	9,856	6,660
Total fire cured.....	182,910	121,442
<u>Air cured</u>		
Burley.....	300,699	196,985
Maryland and Ohio Export.....	29,400	28,612
One Sucker.....	30,754	13,530
Green River.....	39,997	26,455
Sun cured.....	7,200	7,600
Total air cured.....	408,050	273,182
<u>Cigar Types</u>		
Connecticut Valley.....	33,758	40,483
Pennsylvania and New York.....	45,760	44,220
Miami Valley.....	23,299	18,384
Wisconsin.....	33,350	33,907
Georgia and Florida.....	3,463	2,739
Total cigar types.....	144,630	139,733
<u>Louisiana</u>	400	400
Total.....	1,301,211	1,168,900

^{a/} Estimate of Division of Crop and Livestock Estimates, October 1, 1927.

TOBACCO STOCKS IN THE UNITED STATES

The total stocks of domestic tobacco in the United States on July 1, 1927, were reported by the Bureau of the Census to be 1,744 million pounds, as compared with 1,797 million on the same date last year. The aggregate stocks of domestic tobacco, chewing, smoking, snuff and export types, was about a million pounds less than last year, but stocks of bright yellow tobacco of Virginia, North and South Carolina and Georgia were about 11 million above last year. Virginia dark was about 7 million above, Virginia sun-cured 2 million above and Maryland over 4 million above. Total stocks of domestic cigar types were 52 million pounds below last year, with decreases noted in all producing regions except Porto Rico. Stocks of imported tobacco were 29 million pounds above last year.

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FOREIGN NEWS ON TOBACCO

CANADIAN TOBACCO AREA AND PRODUCTION IN 1927



The area devoted to the planting of tobacco in Canada increased this year by over 30 per cent and production by over 50 per cent, compared with last year, when over 7,500,000 pounds were lost due to unfavorable weather conditions in Ontario, according to the Tobacco Crop Reporting Service of the Dominion Bureau of Statistics. This report also states that the crop is giving a good yield of excellent quality. The greatest increase in acreage, almost by one-half, occurred in the province of Ontario, where the bulk of Canadian tobacco is grown, the figures being 23,493 acres in 1926 and 33,650 in 1927. In Quebec, the only other Canadian tobacco-growing province of any importance, a slight increase was registered from 9,808 acres in 1926 to 10,018 in 1927. Finally, the area planted to tobacco in British Columbia increased from 55 acres in 1926 to 360 in 1927.

More than half of the total Canadian tobacco is of the Burley type and practically all of this type is grown in Ontario. Flue-cured tobacco, also grown practically entirely in Ontario, follows as a poor second, constituting approximately one-seventh of the total crop. The bulk of the tobacco grown in Quebec is of the cigar-binder type and constitutes a little over 10 per cent of the total Canadian crop.

Considering the crop as a whole, it may be said that while field growth in some districts was not large, the favorable harvest and curing weather allowed the growers to save and cure well the whole of their crop, so that the per acre yields are entirely satisfactory, states the Report of the Dominion Bureau of Statistics. The cured leaf, while not as spready as usual in some districts, is of excellent quality. In all growing districts, however, there are plenty of large leafed, high yielding crops. The 1927 tobacco crop is the largest in size, and undoubtedly one of the best in quality, that Canada has grown.

No detailed acreage and yield statistics were taken in 1927, but from reports of crop correspondents, tobacco inspectors, and packers in the respective districts, estimates on the tobacco crop have been compiled, and are believed to be reliable.



The following are the figures of Canadian tobacco production for the last few years by provinces and types:

Producing area and:	1925		1926		1927	
type of tobacco	Acreage	Production	Acreage	Production	Acreage	Production
	Acres	Pounds	Acres	Pounds	Acres	Pounds
Ontario -						
Burley	7,340	9,432,000	12,217	11,077,000	20,350	22,385,000
Flue-cured	7,331	6,263,000	6,429	4,331,000	7,550	6,229,750
Green River	3,135	4,342,000	4,438	4,161,000	3,615	4,338,000
Dark fired incl.:						
snuff types ...	455	581,000	409	495,000	2,135	2,669,650
Quebec -						
Cigar	4,792	4,522,000	4,923	4,726,000	5,626	4,692,300
Large pipe	3,101	3,101,000	3,160	3,018,000	3,120	2,496,000
Small pipe	1,480	814,000	1,725	949,000	1,272	636,000
Other types	181	165,000	--	-----	--	-----
British Columbia-						
Cigar binder ...	10	11,000	55	67,000	160	208,000
Burley	--	-----	--	-----	140	106,000
Flue-cured	--	-----	--	-----	20	18,000
Other types	--	-----	--	-----	40	42,000
Total Canada ..	27,825	29,266,000	33,356	28,824,000	44,028	43,916,700

Official sources.

